



Daily Report

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Daily Report

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General

Reportage Views UN Rio Environmental Summit

Song Jian Departs for Rio

OW0106092292 Beijing XINHUA in English
0845 GMT 1 Jun 92

[Text] Beijing, June 1 (XINHUA)—Song Jian, Chinese State Councillor, minister in charge of the State Science and Technology Commission and director of the Environmental Protection Committee under the State Council, left here this morning for Brazil.

Song is going to attend the ministerial meeting of the United Nations Conference on Environment and Development to be held in Rio de Janeiro as head of the Chinese governmental delegation.

Song was seen off at the airport by Chinese Vice-Foreign Minister Liu Huaqiu, Vice-Minister of the State Science and Technology Commission Hui Yongzheng and Brazilian Ambassador to China Roberto Abdenur.

Environment Official on Disparities

OW0106134292 Beijing Central People's Radio
Network in Mandarin 0500 GMT 1 Jun 92

["Special report" on interview with Deputy Director Zhang Kunmin of the State Environmental Protection Bureau by (Guan Yinxin): "An Important Action Taken by Mankind To Save the Global Environment"; from the "International News and Current Events" program—read by announcer]

[Text] Dear listeners, the current United Nations Conference on Environment and Development is another international conference on global environment and development to be attended by the highest level policy-makers of various countries since the 1972 conference on human environment held in Stockholm, Sweden. It is being convened when people throughout the world have remarkably raised their awareness of the need of environmental protection and when the development problem has become more and more conspicuous. All countries are placing high hopes on the conference. Delegations from more than 160 countries and nearly 100 heads of state and government leaders are attending the conference. Chinese Premier Li Peng will also attend.

The conference is to be held in three segments, with a preparatory meeting attended by high-ranking officials on 1 and 2 June, a ministerial-level meeting beginning on 3 June, and a summit meeting beginning on 12 June. Its basic objectives are to step up international efforts to promote sustained development among nations, formulate the strategy and measures for environment and development, and stop and improve the worsening global environment. The conference will discuss a wide range of issues, including protection of the atmosphere, protection of fresh water resources, protection and use of

ocean and marine resources, protection and management of land resources, protection of biological diversification, management of biological techniques to ensure their harmlessness to the environment, control of movement of harmful waste materials, elimination of poverty and improvement of living standards and working environment, protection of human sanitation conditions, and improvement of human living quality. The issues concern all aspects of environment and development.

While reflecting on the common needs of human beings, the convocation of the environment and development conference also shows complex contradictions in various fields. In particular, the conference will focus on the question of whether a new global partnership for environment and development can truly be established on the basis of fairness, rationality, equality, and mutual benefit under the changeable world situation. In the course of preparing the conference, the major differences between developing countries and developed countries evolved over the following questions:

The first question is: Who should take the major blame for the worsening global environment? After repeated discussions, developed countries acknowledged that they should take the major blame, because the worsened environment has been caused gradually in the course of developed countries' industrialization. They currently remain the largest source of pollution.

The second question is: Who should provide the funds? The developing countries are still in an initial stage of development and are burdened with the arduous task of meeting the people's basic needs of livelihood. To participate in the common efforts to protect the global environment, developing countries will have to increase their expenditures considerably. Resolution 228 of the 44th UN General Assembly in 1989 unequivocally pointed out that developed nations should provide new, extra funds to developing nations. It is estimated that their annual environmental expenses will amount to \$125 billion. While foreign aid from developed nations total \$55 billion a year, it is necessary for the developed nations to provide an additional \$70 billion. However, the United States has not yet made any commitment, insisting on making readjustments within the original amount of foreign aid. For this reason, the funds issue remained a focal point throughout the preparatory stage of the conference.

Some European Community countries have expressed their willingness to provide additional funds. Some of them, with foreign aid amounting to 0.7 percent of their GNP, have already met the requirement set by the United Nations. However, the United States, Japan, and Germany have not yet met the requirement of 0.7 percent. Not long ago, Japan held a conference in Tokyo of eminent persons that was attended by foreign statesmen, diplomats, economists, and environmental experts, including China's Huang Hua. During the conference, Japan said that developed countries can increase foreign aid by only \$10 billion annually and that Japan is

willing to bear \$2 billion, or 20 percent of the total. So, there is still a great disparity.

Technological transfer is also one of the focal issues of the conference. The present mode of production has created material wealth for the mankind, but it has also polluted the environment. To adopt zero-pollution or low-pollution production technologies, a large amount of investment is required. Most environmentally friendly technologies currently are still in the hands of developed countries. Developing countries hope that developed countries will transfer those technologies to them on preferential, noncommercial terms. This point was also clearly and definitely stated in Resolution 228 of the 44th UN General Assembly. However, over the last three years, developed countries would not make any commitment to it. The United States particularly emphasized the need to protect intellectual property rights, saying that the patents are in the hands of private enterprises and the government has no way to intervene. Developing countries maintain that since environmental protection is the common task of the world's people, it is feasible for developed countries to make some compromise and transfer those technologies to developing countries on preferential terms, and that developed countries should make such a contribution to the common interests of mankind.

Despite these differences, both developed countries and developing countries share the desire to protect the global environment. This is one aspect of common interest. The current conference, sponsored by the United Nations, is characterized by the longest preparatory period, the highest level gathering, the largest attendance, and the greatest future impact. Thus, all participants hope to see some positive results. The conference will adopt two documents—the Rio de Janeiro Environment and Development Declaration and the Action Schedule of the 21st Century. It will sign two framework conventions—the Climatic Change Framework Convention and the Biological Diversification Framework Convention. The Action Schedule of the 21st Century is a collection of documents governing the actions to be taken by various countries in various fields from now to the 21st century. It contains four parts and 39 questions dealing with all aspects of environment and development. If the conference can reach a consensus on the two focal issues—funds and technological transfer—the above documents are likely to be adopted and signed. Then there will be a breakthrough in solving various questions, such as the basic principle for general rights and obligations, the concrete actions to be taken for environment and development, how much additional funds the developed countries should provide to the developing countries, and how to undertake technological transfers. Such a breakthrough will no doubt promote South-North cooperation in protecting the earth's environment. This should be the major achievement of the current environment and development conference.

China attaches great importance to the conference. A ministry-level coordination group has been formed, consisting of personnel from the Ministry of Foreign Affairs, the State Environmental Protection Bureau, the State Planning Commission, and the Science and Technology Commission. Delegations from these four organizations successively attended four preparatory meetings of the conference. China took part in the governmental talks on the Climate Convention and the Biological Diversification Convention. During the talks, we assumed an active and cooperative attitude. Many countries believe that China is playing a positive and constructive role in the current conference.

U.S. Not To Sign Biodiversity Pact

OW0106192492 Beijing XINHUA in English
1855 GMT 1 Jun 92

[Text] Rio de Janeiro, June 1 (XINHUA)—Brazil has received "with surprise and disappointment" a decision from the United States that it will not sign the Biodiversity Convention at the coming United Nations Conference on Environment and Development.

In an official statement made to the press here today, Brazilian ambassador and special representative to the U.N. conference Marcos Azambuja pointed out that there was expectation that the United States would approve the document which it had modified in Nairobi, Kenya, two weeks ago.

The Convention on Biodiversity is one of the documents to be signed at the end of the U.N. conference scheduled for June 3-14 in Rio de Janeiro. The U.S. Government's decision not to sign the convention was announced only three days before the inauguration of the conference.

Azambuja said that the U.S. Government is worried that the convention deals with such issues as industrial property and technological cooperation between developed and developing countries.

He assured that the biodiversity convention will be approved by most of the countries participating in the conference.

Decision Based on Property Rights

OW3105235092 Beijing XINHUA in English
2336 GMT 31 May 92

[Text] Washington, May 31 (XINHUA)—U.S. President George Bush will pledge to increase its international aid to conserve world forests by at least 100 million U.S. dollars a year, U.S. environmental administrator said today.

In an interview with ABC-TV networks, William Reilly, administrator of U.S. Environmental Protection Agency, said U.S. President Bush is expected to announce the increase Monday in a major initiative on worldwide forest conservation.

He said Bush will also call on other nations to double the 1.35 billion U.S. dollars now allotted to worldwide forest assistance.

The pledge on increased U.S. aid came after yesterday's U.S. refusal to sign a bio-diversity treaty to protect the world plants, animals and natural resources.

The bio-diversity treaty, one of the two major draft agreements prepared for the summit, was agreed by 98 countries and regions. The United States will sign the other major pact—an agreement on stabilizing global warming.

Asked why the United States helped to negotiate the bio-diversity treaty but was unwilling to sign it, Reilly said the negotiations resulted in a treaty that "threatens to blow away intellectual property rights."

It "has no regard for our patents and to take a specialized approach [passage as received] to biotechnology, a technology in which the United States leads the world," he said.

He said the world trade now in environmental technologies is more than 100 billion U.S. dollars a year and it is rising to 300 billion U.S. dollars in the coming years.

"The United States has 40 percent of that trade," he noted.

Reilly said he hoped Bush's initiative on forest conservation would help blunt criticisms to his decision to reject the biodiversity treaty.

Bush will leave for Rio de Janeiro on June 11 to attend the closing rounds of the earth summit.

Ecologists Concerned Over Outcome

OW0106190092 Beijing XINHUA in English
1838 GMT 1 Jun 92

[Text] Rio de Janeiro, June 1 (XINHUA)—Ecologists from 34 countries have expressed concern that the United Nations Environment and Development Conference may end in failure, according to a press report here today.

Representatives of Green parties from 34 countries, who wound up the world's first Green meeting in this city Sunday, hold that it is too soon to hold the U.N. conference in June, because it may turn out to be a vacuous meeting with vacuous documents.

In a statement released after the meeting, they also denounce the use of the summit conference by politicians who seek popularity.

The document suggests that a tax be imposed on the consumption of non-renewable energy supplies and on carbon dioxide gas emissions.

It also proposes that 10 percent of the military expenditures throughout the world be transferred to the environmental area through a fund to be created by the United Nations.

The statement demands a ban on the exports of hazardous wastes.

It also points out that the military measures adopted in the city of Rio de Janeiro for the security of the heads of state and government could harm the image of the conference because television cameras would show their viewers scenes which are more like scenes of war than scenes of an ecological meeting.

'Roundup' Assesses Relations With Neighbors

OW3005111092 Beijing XINHUA in English
1019 GMT 30 May 92

["Roundup" feature by Zhou Cipu and Lu Jin]

[Text] Beijing, May 30 (XINHUA)—In the past month, China hosted visits by 20 delegations led by government officials at or above the level of vice-premier, including the presidents of five countries, three premiers and five parliamentary leaders.

The visits clearly show that China is putting forth great efforts to develop friendly relations with countries throughout the world, while focusing on further improving relations with neighboring countries.

The recent visit by Indian President Ramaswami Venkataraman received worldwide attention owing to the fact that China and India are not only the world's largest developing countries, but also the world's most populous nations, with their populations totalling almost two billion.

The Venkataraman visit, the first China visit by an Indian head of state, was widely acknowledged by the world media as "an important milestone in bilateral relations," and "a worthwhile visit which helped to solve a number of longstanding problems."

The visit concluded with the two countries agreeing to safeguard common interests of Third World nations, and signing various agreements for co-operative relations in many sectors.

The two sides also expressed a desire to solve the border issue left over by history through talks on the basis of mutual understanding and increased mutual trust.

In addition, the Indian delegation reiterated the country's position that foreign countries should not interfere in Tibetan affairs which are China's internal affairs. The delegation also stressed that the Indian Government does not support any of the Dalai Lama's political activities on Indian territory, which are in opposition to the Chinese Government.

With the resolutions and promises resulting from the president's visit, Sino-Indian relations are expected to be further consolidated and developed in the fundamental interests of the two peoples.

Several other heads of state or government leaders from countries bordering China to the north have visited in May, including Estonian Prime Minister Tiit Vahi, and the President of Kyrgyzstan Askar Akayev, along with the Kyrgyz Premier Tursunbek Chingishev, and Aleksandr Nikolayevich Shokhin, Russian deputy prime minister.

Meanwhile, China has affirmed the principles of developing relations with these countries based on equality and mutual benefit, mutual respect, non-interference, and peaceful co-existence.

Almost without exception, China has established economic links with these countries which are expected to gradually lead to development of relations in science and technology, culture and other sectors.

China and Estonia, for example, signed an economic and trade agreement, and an agreement involving a government loan from China to allow Estonia to purchase Chinese commodities. In addition, China and Kyrgyzstan signed eight documents, including a protocol on cooperation between the foreign ministries of the two countries and a government loan similar to that granted Estonia.

China has so far set up economic and trade agreements with 11 republics of the former Soviet Union. These agreements have laid a solid foundation for the further development of relations with the countries.

Relations between China and Mongolia, another major neighbor to the north, also improved dramatically during the month of May when Mongolian Premier Dashiyn Byambasuren became the first Mongolian premier to visit China in 30 years.

The visit resulted in a further solidification of Sino-Mongolian economic links with the signing of four agreements, including one related to economic cooperation and another concerning a government loan from China.

At the same time, Chinese leaders promised Mongolian leaders that China would make every effort possible to ensure "peace, friendship and cooperation" along the two countries' border and to "respect the independence and sovereignty of Mongolia."

Byambasuren expressed great satisfaction with the results of his visit. Warming relations between the two countries, which share a 4,000-kilometer border, will not only benefit the two countries, but will also help to ensure stability of the region.

In early May, Laotian President Kayson Phommvihane visited China, his first visit to the country since becoming the president of Laos. In addition, Nguyen

Van Linn, an advisor to the Vietnamese Communist Party Central Committee, and former Thai Foreign Minister Siddhi Savetsila have also visited China recently.

The visits by Southeast Asian leaders have played a positive role in strengthening political and economic relations between China and Southeast Asian nations.

In addition, Amata Kabua, president of the republic of the Marshall Islands, visited China and hosted the opening ceremony of his country's embassy in China. The visit marked another step China has taken to develop relations with countries in the South Pacific region.

In late May, China's National People Congress (NPC) leader Wan Li began a visit to Japan following the China visits by a number of Japanese leaders, including Yoshio Sakurachi, the speaker of the Japanese House of Representatives; Yuji Osada, the president of Japan's House of Councillors; and former Japanese Prime Ministers Noboru Takeshita and Toshiki Kaifu.

The Japan visit by Wan Li, chairman of the NPC Standing Committee, has been hailed an extremely important event marking the 20th anniversary of the normalization of Sino-Japanese relations. Wan's visit comes shortly after the trip to Japan by Jiang Zemin, general secretary of Communist Party of China.

Observers here say the visits prove the great importance China attaches to relations with Japan, a close neighbor, in addition to showing that China is making every effort possible to develop cooperative relations with developed countries.

May also witnessed the visit of a delegation from the Supreme People's Assembly of the Democratic People's Republic of Korea, led by Assembly Chairman Yang Hyong-sop. The visit marked a new chapter in the traditional friendship between China and the DPRK.

China also hosted visits by other government leaders, including Bolivian President Jaime Paz Zamora, Ecuadorian Vice-President Luis Parodi Valverde, and Nicéphore Soglo, the president of Benin.

Since senior Chinese leader Deng Xiaoping visited southern China earlier this year, the country has gained resolve and has focused on expanded economic construction, while at the same time taking steps to accelerate the pace of reform and opening to the outside world.

Continued economic growth in China, and peace and development throughout the world, depend upon international stability, and, in particular, depends on a good relationship with the neighboring countries.

Meanwhile, China is also willing to develop cooperative relations with all countries, including developed countries, based on mutual respect, equality and mutual beneficial cooperation. China also desires to learn the

advanced techniques and management experiences from both developed and developing countries.

Recent diplomatic activity reveals China's dedication to accomplishing these ends.

Envoy Urges 'Self-Determination' in Palau

OW2905181692 Beijing XINHUA in English
1744 GMT 29 May 92

[Text] United Nations, May 29 (XINHUA)—China told the U.N. Trusteeship Council here today that the political future of Palau should be decided by the people of Palau themselves.

Zhang Yan, delegate of China, made this remark at the on-going 59th session of the United Nations Trusteeship Council this morning.

He also said that the administering authority should, before the termination of trusteeship in Palau, adopt practical measures, fulfill its obligations and meet the just aspirations and demands of the people in the trust territory so as to create the necessary conditions for the early realization of self-determination and independent development in Palau.

The current Trusteeship Council session began May 26, with its main topic on the agenda being the examination of the annual report of the administering authority and the report of the U.N. visiting mission to Palau last March.

On the situation in Palau, the Chinese delegate believed that people in the trust territory have made some progress in the political, economic and social fields on the one hand, and some reasonable demands and aspirations of the people there have yet to be met on the other.

"We hope that the parties concerned will act in accordance with the U.N. Charter and the trusteeship agreement and seek appropriate solutions through consultations so as to facilitate the political, economic and social advancement of the people of the trust territory," said the Chinese delegate.

Palau is the last territory under the international trusteeship system that has not yet determined its future political status. It was originally one of four entities forming the Trust Territory of the Pacific Islands—known as Micronesia—administered by the United States since 1947.

On December 22, 1990, the U.N. Security Council terminated the trusteeship agreement for the Federated States of Micronesia, the Marshall Islands and the Northern Mariana Islands, the other three entities that formed the trust territory.

United States & Canada

U.S. Strategic Air Command Replaced by New Unit

OW0206034992 Beijing XINHUA in English
0309 GMT 02 Jun 92

[Text] Washington, June 1 (XINHUA)—The U.S. Strategic Air Command (SAC) was formally replaced today by a new unit which commands strategic weapons of both the air force and the navy.

At a ceremony at Offutt Air Force Base of Nebraska, SAC was taken over by the Strategic Command, or Stratcom, which is also headquartered at Offutt and headed by General Lee Butler, SAC's last commander-in-chief.

For four decades, SAC controlled the continental ballistic missiles and long-range strategic bombers of the United States, while its naval counterpart commanded sea-borne strategic weapons.

Stratcom was set up to control all strategic missiles of the United States as one of the initiatives that U.S. President George Bush announced last September to slash military spending due to the end of the Cold War.

The new command will be responsible for planning and assume actual control of strategic weapons only in the time of war, leaving to the Air Force and the Navy the day-to-day management of missiles, bombers and submarines.

Daily on U.S. Measure Toward Haitian Refugees

HK0106140092 Hong Kong WEN WEI PO
in Chinese 1 Jun 92 p 2

[Editorial: "The United States Has Created a 'Floating Berlin Wall'"]

[Text] One would not have thought that after the cold war, the U.S. practice of turning back Haitian boat people the moment they are seized would be criticized by Haitian and other Latin American people, and that liberal U.S. Congressmen would see the action as creating a "floating Berlin Wall."

The United States has claimed to be the most democratic and humane country in the world, so how can it create a "floating Berlin Wall?" In his demurrer in the federal court, Professor Koher [ke he 4430 6378] of the Law Institute of Yale University said: "The UN convention on human rights and the extradition agreement signed by the United States and Haiti both prohibit sending refugees back to a country where they will probably be persecuted," and "the international law and relevant agreements do not allow the United States to take action to hold back refugees outside its border."

President Bush's order was criticized on two points: One is that he ordered the Coast Guard to force back refugees outside U.S. territorial land and waters and take the

initiative in intercepting the vessels of the boat people; the other is that he ordered repatriating the refugees immediately after their arrival without screening, even though they will face political persecution by the Haitian Government.

After U.S. officials claimed that "if they go on taking in Haitian boat people, undoubtedly, more people will be encouraged to come and sink to the bottom of the high seas, which is an inhumane act," the Coast Guard promptly took measures to obstruct the boats and offered no active rescue to the sinking ones. The Haitian human rights organization criticized the new measure as "letting the refugees drift about and be drowned." Democratic Senator Owen criticized, saying: "The principal cause of all this trouble is racism, because the Haitians are black people, and this act of turning back the refugees the moment they are arrested is like that of the Ku Klux Klan." Associated Press reporter George Jedar [jie da 2638 6671] pointed out: "The United States was fiercely opposed to Hong Kong's repatriation of the Vietnamese boat people," so "this is an act that becomes the object of public denunciation."

Haiti has a population of 4 million. U.S. Congressman Lanhale [lan he er 5695 6378 1422] queried: "The United States is such a big country, why can it not temporarily accept just scores of thousands of Haitian refugees until the political and economic situation in Haiti returns to normal?"

These questions are very acutely raised, and they precisely touched on the cause of the emergence of the "floating Berlin Wall." The Los Angeles riot has revealed the severity of racial discrimination. As 1992 is an election year, if President Bush continues to let the black-skinned and poverty-stricken Haitians enter the country, he is bound to lose more votes from the whites. And the billionaire Perot's fame has far exceeded Bush's. Under this predicament, will Bush be able to talk volubly about the human rights of the boat people? The U.S.-type democratic election system has conditioned that it should adopt a dual criterion on the human rights issue. The United States used to denounce others going in for an "iron curtain," now it is confronted with the refugee problem itself and, in the interests of the general election, it rapidly closed its gate by lowering the "iron curtain."

The United States has to eat its own bitter fruit brought about by its diplomacy of human rights. Haiti is one of the poorest countries in the world now. The poverty stemmed from the autocratic rule of Duvalier, the former Haitian president for life, who was supported by the United States in the 1950's and 1960's to suppress the leftists for fear that Haiti should become a communist state. Duvalier made his 19-year-old son succeed the presidency and rule the country by secret agents as he had done, so that the Haitian people had no means of livelihood and the economy was in a complete mess. In 1986, the Haitian people overthrew Duvalier II, and Aristide came to power, who, assisted by his supporters,

also employed violent means and private tortures to slaughter the middle class personalities who supported the former government. With terrorist means, he compelled the Haitian courts to impose heavy penalties on the oppositions, besieged the parliament, beat and injured members of parliament, and organized his own presidential guards to replace the Army and police forces. In 1991, the Army staged a coup d'etat, and Aristide went into exile. However, if Aristide returns to power, many people of the middle class worry that they will be persecuted. The United States adopted the strategy of "human rights diplomacy" toward the military regime and imposed economic sanctions on it. As a result, a lot of people at the lower strata are unemployed, their life is even more miserable, and they have no way out but set out to sea and ask the United States for asylum. The Haitian boat people are products of U.S. policies. Proceeding from the "human rights," the United States imposed sanctions on Haiti, then, in the attitude of violating the "human rights," it refused to accept the refugees. It is self-contradictory, and looks a bit funny when it is thus bogged down in the predicament. To trace its root cause, the "diplomacy of human rights" is merely the means to seek strategic interests in the cold war period, and not its genuinely and universally applicable operational principle. Now that the cold war is over, the old-time cold war interests have become a history, and the melody of "human rights" has been out of tune. The United States will not doggedly pose as a "human rights hero" to do that which will reap no fruits for it.

Article on U.S. Global, Regional Strategy

HK0106054792 Beijing SHIJIE ZHISHI in Chinese
No 8, 16 Apr 92 pp 10-11

[Article by Li Qinggong (2621 1987 0501): "U.S. Global, Regional Strategy—Commenting on U.S. Defense Department's 'Defense Planning Guideline'"]

[Text] On 8 March this year, THE NEW YORK TIMES revealed a document entitled "Defense Planning Guideline for Fiscal Years 1994-1999 (Draft)." The 70-page secret U.S. Defense Department document stressed that the United States must prevent the appearance of any rivals that may pose threats to maintain "the United States' leading global position." The document not only immediately became a subject frequently discussed by the U.S. mass media, but also evoked another round of debates over the U.S. foreign policy. Although it has not been debated by the Congress and has not been officially published in full, it basically reflects the U.S. Government's strategic consideration and policy tendency.

Two Major Objectives

According to what was revealed by THE NEW YORK TIMES, the document, which had not been made public, mainly dwelt on the United States' global and regional strategic objectives. The document said that the U.S. defense strategy is mainly aimed at two aspects:

First, preventing potential strategic rivals and new superpowers from controlling West Europe, East Asia, Southwest Asia, and the former Soviet Union. To achieve this objective, the United States must continue to play its leading role in establishing and safeguarding the new international order and prevent potential strategic rivals from growing stronger; the United States must give consideration to the political and economic interests of the Western allies so that they will not challenge the United States' leading position or overthrow the current political and economic order; and the United States must also formulate and perfect mechanisms to prevent the appearance of new strategic rivals.

Second, eliminating sources of regional conflicts and unstable situations to promote respect for international law, to restrain international violence, and to encourage various nations to adopt democratization and an open economic structure.

The document divided the world into six regions, and forwarded the United States' regional strategies and policies. For the former Soviet Union, what the United States is most worried about is the appearance of new hostile powers. Therefore, the United States will prompt Russia, Ukraine, and other countries there to become "peaceful and democratic countries pursuing a market economy" and prevent the comeback of a "totalitarian regime." For West Europe, the United States must prevent the appearance of a security system merely composed of European countries, so it will persistently use NATO as the main channel for handling European defense and security affairs. In order that East Europe can prevent conflicts between East European countries or those countries and the former Soviet Union, the United States will encourage and support the participation of countries in this region in the Western political and economic alliance, thus stabilizing the situation in this region. For the Asia-Pacific region, the United States will maintain its status as a first-class military power in this region to protect U.S. political and economic interests in this region and to prevent the appearance of a strategic vacuum by playing a balancing role. The U.S. aim in the Middle East and Southwest Asia is to become a dominating external force in this region in order to guarantee the West's oil supply, to contain the regional powers, and to prevent nuclear proliferation. For Latin America, the United States holds that Cuba may become a new challenge, so full preparations should be made for this.

Intentions in Four Aspects

The United States holds that since the end of the Warsaw Pact and the dissolution of the Soviet Union, the real threats the United States were facing have decreased, but the potential threats continue to increase. Therefore, the United States remains suspicious of some countries of the former Soviet Union and East Europe, wary of the rise of Western allies such as Germany and Japan, and rather apprehensive of the appearance of some regional military powers in the Third World. While losing its

traditional strategic rival, such a mentality has become the basis the formulation of a future national security policy and defense strategy. The strategic intentions expressed by the "Defense Planning Guideline" give expression to such a mentality.

Guaranteeing the United States' leading global position. Since the beginning of the 1990's, according to the international situation's developments and changes, the United States has developed two basic points for its global strategy. The first is to establish a new international order according to the framework designed by the United States, and the second is to establish and maintain a leading position in the new international order. In recent years, after newly assessing the threats to its national security, the United States holds that after the drastic changes in East Europe and dissolution of the Soviet Union, the global threats the it was facing in the cold war period were, on the whole, gone. In the future, the most serious threats to the U.S. national security will be regional crises and conflicts. This will be the largest obstacle to the U.S. effort to establish a new international order, and will also pose a serious challenge to its leading global position. Therefore, the focus of strategy for national security should be shifted to promoting the regional peace processes and eliminating unstable regional factors. The crucial point [he xin si xiang 2702 1800 1835 1927] is to continue to proceed from its position of strength in order to safeguard the vested interests of the United States in various regions, as well as to bolster global and regional security systems with the United States as the center.

Coping with the challenges from such newly rising Western powers as Germany and Japan. The United States has mixed feelings when seeing the unification of Germany and the rise of Japan. On the one hand, it finds that such development is favorable to the expansion of Western influence and the reinforcement of Western strength; on the other hand, it fears that such countries will grow into new superpowers and become "polar forces" that may contend with the United States. The United States has more and more strongly felt that Germany has obviously established its "nucleus nation" position in Europe and is trying to create a "Germany's Europe" in the name of "Europeans' Europe," thus eventually excluding the United States from Europe and set up a security system solely composed of European countries and dominated by Germany. Not long ago, the United States was involved in a fierce debate with Germany and France over the issue of forming a "European military force"; this precisely gave expression to the U.S. mentality and the tendency with Germany. Japan has become an economic contender against the United States in reality. Although the United States is still not a loser, its declining tendency against Japan's rise is still continuing. Therefore, the United States fears that Japan, with its economic strength, will eventually become not only its economic rival but also its political and even military rival. Thus, the United States has included the economic security issue in its national

security considerations, and stresses the need to cope with the challenge of Japan. Although the United States demanded many times that Japan play a global role, it only asked that Japan pay more money for handling the international issues rather than allowing Japan to take this opportunity to expand its political influence or seizing a foothold in the international political arena. THE NEW YORK TIMES said that the planning guideline was aimed at "keeping the United States' position as the sole superpower and dissuading Japan, Europe, and other powerful nations from contending for the international ruling position." A military analyst in the Pentagon pointed out that although the plan did not say "that what they fear are Japan and Germany, but neither did they deny it."

Preventing changes unfavorable to the United States in the political situation of various countries in the former Soviet Union and in East Europe. After the drastic changes in East Europe and the Soviet Union's dissolution, the United States announced that this marked the great achievement of its "containment" strategy formulated in the 1950's and the "advance containment" [chao yue e zhi 6389 6390 6656 0455] strategy formulated in the 1980's. However, beyond the United States' expectations, this region has now become one of the most unstable regions in the world. The developments and changes in the situation of East Europe and the former Soviet Union have become a major concern for the United States. It is not only worried about the adverse changes, the proliferation of nuclear weapons, and the escalation and spread of nationality conflicts in this region; it is also worried that some countries in this region may throw in their lot with the "Germany's Europe" camp while failing to free themselves from economic difficulties. Therefore, on the one hand, the United States prompts these countries to quicken the transition to the "market economy" and "democratic politics" to stabilize the current situation which is basically favorable to the United States; on the other hand, it is preparing against the possibility where these countries once again become the strategic rivals of the United States and dealing with any possible emergencies.

Solving regional crises and conflicts. After the old international pattern was broken, some regional contradictions which were covered up by the global contention for hegemony between the United States and the Soviet Union were fully exposed; moreover, new contradictions were also cropping up continuously. This formed the main factor for triggering regional crises and conflicts. The United States maintains that this is the most immediate and dangerous security threat it is facing. Therefore, the United States will take the task of coping with regional threats as the target of primary importance in its security strategy, and will apply political, economic, and military means to deal with such problems.

Three Major Difficulties

The U.S. Defense Department document reflected from a certain angle some noteworthy tendencies in present international affairs, especially in relations between big powers.

First, the document once again stresses the leading global position of the United States, indicating that its strategic aim is shifting from the global "contention for hegemony" to the "maintenance of world hegemony." However, as its ability falls short of its wishes, this will, to a large degree, constrain U.S. ambition. The termination of the cold war pattern stimulated the United States to upgrade its status from leader of the Western alliance to leader of the world as a whole. As AFP frankly pointed out: "The report hints that the United States is more interested in holding its status as the world's sole superpower than in collective security." The United States is trying to rely on its military superstrength to play a greater leading role in the handling of international affairs. However, as its comprehensive national strength is declining, the United States will continue to be vexed by the situation in which its ability falls short of its ambition.

Second, since the document directly points to Germany and Japan as potential threats, this will make the contradictions between the Western countries more apparent and intense. Such Western countries as Germany and Japan have long had a centrifugal tendency from the United States, and they are now attempting to shake off control and restraint by the United States control and restraint and to develop their own status of strength and expand their own spheres of influence. However, the document adopts the means of "deterrence" and gives warnings to and exerts pressure on Germany and Japan in an attempt to constrain them from becoming new superpowers. This will certainly "sow seeds of mistrust among the allies." German Chancellor Kohl blamed the United States for hinting that Germany is an unreliable ally, and said that "the federal government will ignore such an assumption." Although Japan has not expressed open opposition, it has also tactfully indicated that "Japan holds that in the future a structure of Japanese-American consultation centered in the United Nations should be built in the international community." NATO Secretary General Manfred Woerner said in a straightforward manner: "The United States should not pose as the sole superpower after the end of the Cold war. A big power's attempt to dominate the whole world is unpopular and also unrealistic. The United States should join Europe, other countries, and the United Nations in building the new world order." Outsiders even commented on this situation by saying that the cold war between the United States and the Soviet Union has come to an end, and another multipolar form of cold war is gradually taking shape.

Third, the document demands that strategic deterrence and military pressure be increased against some regional big powers, and this indicates that the United States will increase its military adventure in the handling of regional

affairs. It is possible that the United States will more often act in light of the Gulf war model in handling regional crises and conflicts. This will inevitably add to the United States' burdens and make it more isolated in the international community.

Although the U.S. State Department and the National Security Council again and again claimed that the plan "does not represent U.S. policy," and President Bush also warned reporters not to believe things that they "did not see," the strategic considerations and policy tendency revealed by the document still merit close attention.

Central Eurasia

Russian Reform Embarks on 'Complicated Process'

OW0206054192 Beijing XINHUA in English
0509 GMT 2 Jun 92

[Text] Moscow, June 1 (XINHUA)—First Deputy Chairman of the Russian Economic Reform Center Andrey Illarionov said today that the majority of the Russian people are not happy with the existing economic situation but have expressed understanding of the price hikes.

Illarionov said his country's economic reform has embarked on a complicated process. While many people sharply criticize the government's economic policy, they at the same time show support for the market economy, he added.

The deputy chairman noted that the economic reform has three phases. The first, which started in January this year, focused on the freeing of prices and the implementation of a strong policy to stabilize the financial situation, he added.

He said some achievements had been made during this phase—the severe shortage of commodities other than food has been eased and growth margin of prices has been gradually coming down.

But in the second phase, Russia would center on privatization, reforms in land ownership and banking, he said, adding that it would take at least five to 10 years.

He said the third phase would be one of economic growth.

Illarionov spoke highly of China's economic reform, saying that China did not experience anything like Russia's first phase because of its domestic stability.

Russia Names Seventh Deputy Prime Minister

OW0206040692 Beijing XINHUA in English
0213 GMT 02 Jun 92

[Text] Moscow, June 1 (XINHUA)—Russian President Boris Yeltsin today appointed Anatoly Chubais as his seventh deputy prime minister.

Chubais was the third new deputy prime minister named by Yeltsin in the past two weeks.

Itar-Tass said Chubais would retain his job as chairman of the State Committee for Property Administration.

A former Soviet minister of gas was named as the country's sixth deputy prime minister on May 30.

Former Soviet Troops Under Kirghiz 'Control'

OW0206034892 Beijing XINHUA in English
0213 GMT 02 Jun 92

[Text] Moscow, June 1 (XINHUA)—Former Soviet troops serving in Kirghizstan were placed under local control today, the republic's President Askar Akayev announced.

Vice President Feliks Kulov told a press conference in the capital, Bishkek, that his country had taken the step because Moscow had stopped allocating funds to Russian troops beyond Russian territory.

Kirghizstan started covering the expenses of all army units within its territory on June 1, Kulov said.

Annual military expenditure in Kirghizstan was around 800 million roubles, he said.

Troop numbers would be halved in the future and the army function purely for defensive purposes, he added.

Kirghizstan would pursue a policy of neutrality while implementing the collective security treaty signed by six Commonwealth of Independent States members, Kulov said.

Grachev Warns on 'Military Presence' on Borders

OW0106163092 Beijing XINHUA in English
1547 GMT 1 Jun 92

[Text] Moscow, June 1 (XINHUA)—Russian Defense Minister Pavel Grachev today warned Russia's neighbors of increasing military presence on their borders with Russia.

According to an ITAR-TASS report, the defense minister said that any deployment of foreign troops in neighboring countries of Russia or increased military presence along her borders would be seen as a direct military threat to Russia.

Grachev was speaking at an international conference of a CIS military institute. It is believed that the defense minister's words were aimed at some CIS states which have a strong military.

The defense minister said that any political, economic or military blackmail against Russia would be considered "a war danger."

Grachev also reiterated Russian commitments to never offensively use nuclear weapons and other weapons of mass destruction.

He appealed to other countries to commit to seeking peaceful solutions to conflict and reducing military strengths.

Northeast Asia

Li Ruihuan Meets Visiting Japanese Publisher

OW0106102092 Beijing XINHUA Domestic Service
in Chinese 0801 GMT 1 Jun 92

[By reporter Feng Xiuju (7458 4423 5468)]

[Text] Beijing, 1 June (XINHUA)—Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, met with Yasuyoshi Tokuma, chairman of Japan's Tokuma Enterprises Group, and his party at the Great Hall of the People here this morning.

The Tokuma Enterprises Group is a well-known Japanese company engaged in publication and film and video production. Mr. Tokuma has sponsored the annual China Film Festival in Tokyo since 1976, showing more than 100 new Chinese motion pictures to the Japanese audience.

At the meeting, Tokuma said: To commemorate the 20th anniversary of the normalization of relations between Japan and China, we have come to present two animated films to Chinese children on the occasion of International Children's Day: "Neighbor Tuotuluo" and "Naouxika—the Girl in the Wind Valley." "Neighbor Tuotuluo" premiered in Beijing today.

Li Ruihuan expressed appreciation on behalf of the Chinese Government and children.

Li said: China and Japan have a long history of cultural exchange. This exchange between the two countries should be further expanded under the new circumstances today. He urged the Tokuma Enterprises Group to strengthen cooperation with China in this area and make new contributions.

Speaking of the development of China's film industry, Li Ruihuan said: Under the present circumstances of reform and opening up to the outside world, China's film industry must serve the needs of its reform and opening up. At the same time, it should also carry out its own reform and absorb the good experience of Japan and other foreign countries.

The Japanese friends are visiting China at the invitation of the China Association for International Friendly Contacts. They arrived here yesterday.

Jiang Chunyun Receives DPRK Journalists

SK0206013392 Jinan DAZHONG RIBAO in Chinese
5 May 92 p 1

[By Xing Zuoyue (0438 0155 1471): "Jiang Chunyun Meets DPRK Guests, Including Kim Yong-hak"]

[Text] Jiang Chunyun, secretary of the provincial party committee, received in the Qilu Guesthouse a delegation from KULLOJA, the theoretical periodical run by the central organs of the Workers Party of Korea, headed by Kim Yong-hak, editor in chief of the theoretical periodical. During the reception, Jiang Chunyun extended welcome to the Korean guests for their visit.

At the invitation of the office of the periodical QIUSHI, the six-member delegation headed by Comrade Kim Yong-hak and accompanied by Ma Yingbo, deputy editor in chief of the periodical QIUSHI, arrived in the city of Jinan on 4 April and began to pay a friendly visit to the province. Their visit is chiefly aimed at exchanging their experiences in carrying out theoretical propaganda and operating periodicals and at learning about China's building of socialism. During the reception, Comrade Jiang Chunyun happily reviewed the happy memories of his visit to the DPRK in 1990 and the visit paid by President Kim Il-song to Shandong Province in October 1991 and pointed out that the militant friendship cemented with the blood of the people of China and the DPRK is unbreakable. He also urged comrades of the Korean delegation to relay the cordial regard of the provincial party committee, the provincial people's government, and the people across the province to President Kim Il-song, the great leader of the Korean people. He was convinced that mutual visits by both sides will certainly promote the steady development of friendship between the people of China and the DPRK. Comrade Kim Yong-hak expressed thanks for the enthusiastic reception given by the people of Shandong and the friendship shown by them and said that the Korean people will never forget that the Chinese people dispatched their fine sons and daughters to join in the war to resist U.S. aggression and aided Korea when the Korean people faced the most difficulties.

Attending the reception were responsible comrades from the provincial level departments concerned.

Southeast Asia & Pacific

Hainan Secretary at Singapore Investment Forum

Views Economic, Technical Ties

HK0106075692 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 25 May 92

[Text] A Hainan investment opportunity assessment forum, jointly sponsored by Singapore's Qiongzong Society and Hainan Province, was held in the auditorium of Singapore's Qiongzong Society on the afternoon of 23 May.

[Provincial party committee Secretary] Deng Hongxun, head of a visiting Hainan provincial delegation, delivered a long speech at the forum, which was attended by nearly 100 personalities of Singapore's industrial and commercial circles.

After expounding on Hainan's latent potentialities in economic development, Deng Hongxun pointed out: The establishment of Hainan Province and the Hainan Special Economic Zone in 1988 ushered in a new era of Hainan's development, opening up, and construction. Since then, Hainan has become the most noteworthy pioneer in China. After more than four years of hard and diligent work, Hainan has scored renowned achievements and acquired conditions for large-scale development. A new upsurge of construction in Hainan is to be set off in the foreseeable future.

Deng Hongxun noted: Since Hainan was turned into a province and a special economic zone, a large number of Singapore friends and Singapore-based Overseas Chinese of Hainan origin have carried out investigations in Hainan and conducted fruitful cooperation with Hainan in many fields. During its current visit to Singapore, the Hainan Economic Investigation Delegation has made extensive contacts with personalities in all walks of life, visited and carried out investigation in a number of economic, financial, banking, urban construction, and communications projects, discovered numerous excellent experiences worth learning from, and found that Hainan and Singapore can complement each other in many respects.

Deng Hongxun also gave a detailed account of Hainan's investment policies and answered a series of concrete questions raised by the forum participants. Deng Hongxun's speech was acclaimed as candid, true to the facts, and pragmatic by the forum participants, who held that Deng's visit constituted a powerful shock wave conducive to future Hainan-Singapore economic and technological cooperation.

On 22 May, Deng Hongxun also visited the Singapore Newspaper Center and held cordial talks with the center's general manager as well as the chief editors of Singapore's LIANHE ZAOBAO [UNITED MORNING NEWS], LIANHE WANBAO [UNITED EVENING NEWS], FRIDAY WEEKLY, and other newspapers. At the request of the Singapore Newspaper Center, Deng Hongxun also granted an interview to Singapore's Chinese language newspapers intending to publish in detail his speeches and remarks made during his current visit to Singapore.

According to another report, the Hainan Provincial Economic Investigation Delegation, headed by Deng Hongxun, successfully wound up its visit and left Singapore, and arrived in Bangkok on 24 May, starting an official visit to the Kingdom of Thailand.

Meets Business Group

HK3005012392 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 23 May 92

[Excerpt] On the morning of 21 May, Deng Hongxun cordially met with Mr Liu Botao, managing director of

the Singapore (Shenbaowan) Group, and discussed with him the possibility of furthering bilateral cooperation on a wider scale.

Mr Liu Botao said he would head another delegation to visit Hainan in the near future.

On 21-22 May, the Hainan Provincial Economic Investigation Delegation, headed by Deng Hongxun, which was visiting Singapore, listened to accounts given by a number of leading local businesspeople on Singapore's economic development, foreign trade, and financial affairs. After listening to their accounts, Deng Hongxun proposed that various small- and medium-sized Singapore entrepreneurs organize themselves and set up a Hainan Investment Fund so as to pool funds for joint investment in Hainan. His proposal was warmly received by the entrepreneurs concerned. [passage omitted]

Near East & South Asia

Xinjiang's Wang Lequan Meets Iranian Delegation

OW0206002292 Urumqi Xinjiang Television
Network in Mandarin 1655 GMT 1 Jun 92

[From the "Xinjiang News" program]

[Text] Autonomous Regional Vice Chairman Wang Lequan met at the Xinjiang Guest House on the evening of May 31 with Iranian Vice Foreign Minister Malaji, the president of the Iran International Issues Research Institute, who arrived in Xinjiang for a visit.

Arriving in Urumqi on 28 May, Malaji and his three-member delegation visited historic religious sites in Kashi, Turpan, and Urumqi and acquainted themselves with the region's investment environment and economic development.

In welcoming Malaji's visit, Wang Lequan said: China and Iran are friendly countries with traditional friendly exchanges. Your visit will certainly further strengthen the friendly relations between the two countries. He also briefed the guests on the tremendous changes which have taken place in Xinjiang since the start of reform and opening to the outside world.

Malaji said: Xinjiang is rich in resources and strategically situated, we hope we can develop cooperation with China's Xinjiang Province in such fields as the economy and culture.

He invited Vice Chairman Wang Lequan to visit Iran.

Both sides exchanged gifts after the meeting.

Iraq Refuses To Surrender Remeila Oil Fields

OW0106203092 Beijing XINHUA in English
1926 GMT 1 Jun 92

[By Li Yichang]

[Text] Baghdad, June 1 (XINHUA)—Iraq's oil minister said today "the land expropriated from the South Remeila Oil Field by the U.N. Commission for the Demarcation of the Iraqi-Kuwaiti Boundaries will remain Iraq's and we'll not surrender it."

Oil Minister Hammada 'Abd-al-Razzaq al-Hiti made the statement on the 20th anniversary of the nationalization of the country's oil industry.

The U.N. Iraq-Kuwait boundary demarcation commission in April decided to shift the border slightly north, taking away five wells of the South Remeila Oil Field and an abandoned Iraqi naval base at Um Qasr to Kuwait after using satellite positioning systems to pinpoint the old British line defined in 1932.

The border has been a point of contention between the two neighbors since Kuwait's independence in 1962. Iraq accused Kuwait of stealing Iraqi oil from fields straddling the border before it invaded Kuwait in August 1990.

"U.N. Resolution 678 will have no effect on Iraq's exploitation of the South Remeila Oil Field, nor will it affect Iraq's oil reserve," the Iraqi oil minister said.

Iraq has an oil reserve of 100 billion barrels, the second largest in the world only after Saudi Arabia.

Al-Hiti said oil installations damaged during the Gulf War have been repaired, and that Baghdad would resume exporting its oil sooner or later.

The minister predicted that Iraq would be capable of exporting as much as 1 million barrels of oil a day through the port of Bakr and another 1.2 million barrels a day through the pipeline across Turkey in late June, if the U.N. ban on Iraqi oil exports is lifted.

He added that Iraq plans to increase its oil-exporting capacity to about 6.5 million barrels per day within four or five years.

Meanwhile, in a message to the U.N. chief today, Foreign Minister Ahmad Husayn also considered the decision taken by the U.N. commission as "unlawful," saying it "constitutes a dangerous precedent in the history of the United Nations."

He accused the U.N. decision of being "politically tinted and forced upon Iraq by the big powers."

"The obvious political aim of the decision is to deny Iraq its historical and geographical rights, jeopardize its vital interests, and intentionally create an illegitimate and illogical status quo imposed by armed force on the Iraqi people," the minister said.

Nepalese Parliament Group Departs for Visit

*OW0106124592 Beijing XINHUA in English
1212 GMT 1 Jun 92*

[Text] Kathmandu, June 1 (XINHUA)—A 13-member Nepalese parliament delegation led by lower house Speaker Daman Nath Dhungana left here today for a visit to China.

"Relations between Nepal and China are now one of the best," said Dhungana before leaving Tribhuvan International Airport. "We are visiting China with the goodwill of all the Nepalese people for the people of China."

Chinese President Yang Shangkun and Chairman of the Standing Committee of the Chinese National People's Congress Wan Li are expected to meet the delegation and Vice Chairman Ngapoi Ngawang Jigme will hold talks with the delegation during their 10-day stay in China.

It also stressed that "the principle of national treatment will apply to foreign investment."

"BUSINESS DAY" newspaper said the ANC economic policy took "a tough line on foreign investment," while "THE STAR" newspaper listed a range of restrictions and conditions the ANC would impose on foreign investment.

West Europe

Reportage on Tian Jiyun's Visit to Norway

Meets Commerce, Shipping Official

*OW0106170892 Beijing XINHUA in English
1601 GMT 1 Jun 92*

[Text] Oslo, June 1 (XINHUA)—Visiting Chinese Vice Premier Tian Jiyun and Norwegian Minister of Commerce and Shipping Bjoern Tore held talks here today on the development of bilateral economic and trade relations.

The two sides shared identical views on expanding bilateral trade and bringing economic and technical cooperation to a new level.

Tore said that Norway attached great importance to its relations with China.

Vice Premier Tian thanked Norway for its support for the resumption of China's membership in the General Agreement on Tariffs and Trade as a signatory.

Tian arrived here for a visit this morning from Sweden.

Talks With Industry Minister

OW0206041392 Beijing XINHUA in English
0216 GMT 02 Jun 92

[Text] Oslo, June 1 (XINHUA)—Visiting Chinese Vice Premier Tian Jiyun and Norwegian Minister of Industry Ole Knapp held talks here today on the development of bilateral cooperation.

Tian said his visit to Norway is aimed at promoting mutual understanding and bilateral trade. He hoped that Norwegian businessmen will make study trips to, and make investment, in China.

Knapp said Norwegian enterprises, especially the big ones, show great interest in the Chinese market and have already laid foundations there.

The Norwegian Government will create favorable conditions for cooperation with China, Knapp added.

Later on, a contract was signed under which a Chinese chemical company will buy 175,000 tons of fertilizer, worth 38 million dollars, from a Norwegian company.

Tian arrived here this morning from Sweden.

Rong Yiren 'Optimistic' Over UK Trade Ties

OW0206113792 Beijing XINHUA Domestic Service
in Chinese 0723 GMT 2 Jun 92

[By reporter Shi Lujia (2457 7627 0163)]

[Text] London, 2 Jun (XINHUA) —Rong Yiren, vice chairman of the National People's Congress Standing Committee and chairman of the board of directors of the China International Trust and Investment Corporation, said here on 1 June that he is very optimistic about the prospects of development of Sino-British economic relations and trade.

Rong Yiren arrived in Britain for a visit on 26 May. In the past few days, he visited London, Birmingham, and Edinburgh; attended the fourth symposium of 48 firms of British-Chinese trade; and made contacts with a host of personages of the business circles.

Rong Yiren told Chinese and foreign reporters that during these contacts, he found that friends of British business circles are very concerned about China's economic development and that they have expressed great interest in strengthening British-Chinese economic and trade ties. He said: There is still plenty of room for enhancing Sino-British economic and trade cooperation.

On the afternoon of 1 June, Rong Yiren held talks with British Secretary of State for Trade and Industry Michael Heseltine and other officials of the British Foreign Ministry. He told reporters that the British Government also has the desire to further develop British-Chinese economic relations and trade and is pleased with China's economic growth in the past few years.

Vice Chairman Rong Yiren will leave Britain after concluding his visit tomorrow.

'Analysis' Assesses Franco-German Army Corps

HK0106045092 Beijing RENMIN RIBAO in Chinese
26 May 92 p 6

["News analysis" column by staff reporter Zheng Yuanyuan (6774 0954 0954): "France, Germany Build 'Eurocorps'"]

[Text] Paris [no date as published] (RENMIN RIBAO)—A Franco-German summit was held in La Rochelle a few days ago, and it was announced that a Franco-German corps with European attributes would be formed. The Franco-German summit decision to form a Eurocorps comes at a time when Europe's political situation is turbulent. Hence, it is natural for Western Europe, or even the entire West, to take heed.

It is unusual for French and German leaders to make known the formation of the corps at this particular time. At present, France and many EC countries are debating the ratification of the Treaty of Maastricht, and one of the major debates is precisely on the German question. The unified Germany has increasingly acted as "an adult free of guardianship" in European affairs and on the international arena and showed a greater degree of independence and autonomy. At present, a considerable number of people are anxiously talking about the possibility that Germany will become the big winner of European unification and impose its will on the EC. These anxieties have cast a shadow over the treaty's ratification. Cooperating with each other in the past decade for European unification, French and German leaders have decided to give a further push to Europe at this critical moment. They have chosen "defense," a sensitive aspect touching on the sovereignty core, as a breakthrough point to make clear their determination of achieving European unification and to give an impetus to the thorough development of European integration.

In a sense, the Franco-German joint army corps' formation is also a need of the two countries' domestic political development. "Digesting" unification, Germany is experiencing severe economic difficulties and social crises. Like Kohl, Mitterrand is also in urgent need of certain new moves to rid himself of perplexity in domestic affairs. The two leaders wish to enlist the other's support through these moves to build up their prestige and improve their domestic and international images.

The Franco-German joint army corps with European attributes will ultimately become a military structure independent of NATO. With the conclusion of the cold war and the Warsaw Pact's disintegration, NATO is seeking new missions. However, France is against expanding NATO's authority. The Franco-German joint army corps may gradually develop into a real nucleus within the European security structure. William Taft, U.S. ambassador to NATO, expressed his concern over the Eurocorps plan a few days ago. He said, "There is a

risk that efforts made by 12 countries to try to more effectively control the defense of the European continent will weaken NATO, particularly its military structure." In addition, countries like the UK and the Netherlands are also against the formation of a joint army corps.

As pointed out by a number of comments, it will be a long and complicated process to develop the Franco-German joint army corps into a Eurocorps, and France and Germany must readjust their policies to respond to a series of problems. Independence and autonomy is the guiding ideology of France's defense policy, but this is the first time since its withdrawal from the NATO integrated military command that it has agreed to place its military force under the command of multinational forces. However, France has stated clearly that it does not intend to return to the NATO unified military command. The present issue lies in whether or not French troops, as a part of the joint army corps which will be placed under the dual leadership of NATO and the Western European Union, will obey NATO's commands when they perform missions of protecting NATO allies. The case of Germany is even more complicated. The German Constitution stipulates that its armed forces cannot conduct operations outside their own territories (except for NATO missions), but the Franco-German corps has three missions: performing missions within the allies' framework, maintaining and restoring peace and "taking part in humanistic actions," and, last of all, taking part in operations which will not be bound by any territorial restrictions. Can Germany take part in operations outside its territories when the time comes? To do this, will Germany amend its Constitution? In addition, Europe's nuclear issue will certainly be touched on if the Franco-German corps really wants to develop into a Eurocorps, and this will pose a problem which will hardly be solved in a short time.

East Europe

Nation To Implement Sanctions Against Yugoslavia

*LD0206090992 Belgrade TANJUG in English
0819 GMT 2 Jun 92*

[Text] Beijing, June 2 (TANJUG)—China will implement the U.N. Security Council Resolution 757 on sanctions against Yugoslavia, a Chinese spokesman told TANJUG on Tuesday, but did not specify.

A total trade and oil embargo, the suspension of air traffic, scientific and technical cooperation, and the freezing of assets are some of the measures which the U.N. Security Council decided on Saturday to take against Yugoslavia.

China, together with Zimbabwe, abstained from voting on the sanctions. The Chinese representative said in a debate before the vote that not all measures other than sanctions were taken which would resolve the Yugoslav crisis.

However, the resolution is now binding on China as well.

The Chinese-Yugoslav trade stood at 230 million dollars last year, apart from China's 200-million-dollar oil deliveries to Yugoslavia. In 1991, oil from China met 22 percent of Serbia's oil consumption.

Suspends Passenger Flights

*LD0206093892 Belgrade TANJUG in English
0840 GMT 2 Jun 92*

[Text] Beijing, June 2 (TANJUG)—The Chinese airlines Air China on Tuesday suspended its direct air link between Beijing and Belgrade, acting in line with the U.N. Security Council sanctions against Yugoslavia, a TANJUG correspondent in Beijing was told.

Twenty or so Yugoslav tourists who flew Air China to Beijing last week will on Thursday be flown to Bucharest, from where they will be transported to Belgrade by land.

Serbian Government Delegation Visits Heilongjiang

*SK0206042192 Harbin HEILONGJIANG RIBAO
in Chinese 9 Apr 92 p 1*

[By reporter Yang Tianzhu (2799 1131 5511): "Yugoslav Serbia's Premier Boroviki Arrives in Harbin"]

[Text] At the invitation of the Heilongjiang provincial government, a 12-member government delegation of the Yugoslav Serbia Republic, headed by government Premier Boroviki, arrived in Harbin by plane on the evening of 8 April for a two-day friendly visit to the province.

Serbia established friendly cooperative relations with Heilongjiang Province as early as 1980. The visit of this delegation was aimed at discussing matters pertaining to economic and trade cooperation with Heilongjiang Province.

Meeting the delegation at the airport were Shao Qihui, governor of the province; Chen Yunlin, vice governor of the province; Liu Gongping, secretary general of the provincial government; and Wang Yaochen, director of the provincial foreign affairs office.

Yugoslav Parliamentary Elections End in Peace

*OW0206050592 Beijing XINHUA in English
0330 GMT 02 Jun 92*

[Text] Belgrade, June 1 (XINHUA)—Yugoslav parliamentary elections closed smoothly May 31, the Yugoslav Electoral Committee reported today.

Final results for the elections to both chambers would come out on June 2 or 3, the committee said.

Returns in some districts showed the Socialist Party of Serbia taking the lead in balloting.

Some 60 percent of the Serbian voters and 57 percent of voters in Montenegro cast their votes.

The Federal Republic of Yugoslavia, which declared its formation on April 27, immediately decided to start the electoral work of parliament and presidency.

The Yugoslav parliament consists of 138 seats in a federal chamber and 40 in a chamber of republics and autonomous provinces.

The republics of Serbia and Montenegro occupy 108 and 30 seats respectively in the federal chamber while both have 20 seats in the chamber of republics and autonomous provinces.

In the elections, those with the most votes will be elected provided over 50 percent of the electorate takes part.

After its members are elected, the Yugoslav Parliament will hold its first meeting for the presidency election and the formation of a cabinet.

Albanian communities in the autonomous province of Kosovo, more or less boycotted the elections, reports said.

A rival party of Albanian communities in Kosovo elected its own "parliament and president" in May 4 elections held all by themselves and called for a "peaceful transfer of power".

And Serbia's two main parties, the Serbian Renaissance Movement and the Serbian Democratic Party, boycotted the elections as unconstitutional.

The two staged a demonstration against the incumbent Serbian Government on May 31 in the name of mourning for the victims of the Yugoslav civil war.

Joined by tens of thousands of people, the anti-government demonstration won support from Westerners.

New Envoy Presents Credentials to Czech President

*OW0206075992 Beijing XINHUA Domestic Service
in Chinese 2116 GMT 1 Jun 92*

[Text] Prague, 1 June (XINHUA)—Wan Yongxiang, China's new ambassador to Czechoslovakia, presented credentials to President Havel today.

After the ceremony, Havel held a friendly conversation with Wan Yongxiang. He said that China is a big country and that Czechoslovakia is willing to further develop relations with China.

Political & Social

'High-Ranking' Source on Deng's Stance on Leftism

HK3105070292 Hong Kong TA KUNG PAO
in Chinese 31 May 92 p 2

[“Special dispatch”: “High-Ranking CPC Source Says Deng Xiaoping’s View on Prevention of ‘Leftism’ Summarization of All Experience in Party Building”]

[Text] Beijing 30 May (TA KUNG PAO)—According to a high-ranking CPC source, Comrade Xiaoping said: It is necessary to be vigilant against rightism; but currently, we should mainly guard against “leftism.” This statement can be said to be a summarization of all the experiences of the CPC since its founding and has acutely indicated the major political and ideological trend inside China and the party, or the major problem that is worth our attention and must be prevented. That was not an easy thing to do.

The source said “leftism” is a stubborn disease, with a repetition of its flooding quite likely to happen under various historical conditions. We have repudiated rightism since day one; consequently, people are afraid of committing errors of a rightist nature, while believing that being somewhat “leftist” does not spell trouble, but seems to be revolutionary at that. This time, Comrade Xiaoping has made it clear: Rightism will ruin socialism; likewise, “leftism” will spell an end to socialism. This statement has hit the nail on the head.

This person in charge [zhe wei fu ze ren 6638 0143 6298 6307 0086] stated that since Deng Xiaoping’s remarks were relayed, cadres at all levels and the broad party members across China have been very excited and have reflected this excitement. Why? Probably, there are two reasons. First, Comrade Xiaoping made his recent inspection tour of the southern provinces approximately two years since he made his last public appearance. Although he was so advanced in age, he maintained a sober outlook and made important remarks. Furthermore, he relied on himself in sorting out those remarks. This point alone has touched and inspired those who had heard or seen it. This showed that Comrade Xiaoping is in a pretty good shape, clear in thought and possessing a good grasp of the situation across China; he has spoken the minds of the whole party and people nationwide. That primarily accounts for the rather strong reaction. The other reason is that we had so many things to say but kept silent for various reasons, endless misgivings, or an inability to do so. Comrade Xiaoping has spoken our minds in a very systematic and concise way; thus, he has eliminated some of our ideological misgivings and resolved certain issues of understanding.

He said that Comrade Xiaoping’s important remarks give specific and explicit answers to some problems or bottlenecks we have come across or are likely to meet in practice. Many comrades said that there is no mistaking at what the remarks are aimed. It is so because there is nothing misleading in his discussions on how to view

and understand certain issues in various undertakings and work of the whole party and the whole country, and how to grasp and resolve those issues. It is imperative to enable all party members, especially leading cadres at all levels, to deepen their understanding in socialism with Chinese characteristics through further in-depth study. We may gradually clarify and grasp many issues which we have failed to see clearly through the current study of Comrade Xiaoping’s remarks. That is of important guiding significance to our work from now on.

This leading member added: Comrade Xiaoping has theoretically clarified the issue of whether to bear the surname of “capitalism” or “socialism” in a very concise way. Some of us are always afraid of committing errors of bearing the surname of “capitalism,” while others are always scaring people with long-winded pompous articles and labels. This time, Comrade Xiaoping has clarified the issue of whether to bear the surname “capitalism” or “socialism” in a clear-cut way.

In conclusion, he added that Comrade Xiaoping has made another remark, namely, it is all right even if there are no fresh ideas, but there should be no change [ji shi mei you xin de zhu yi ye ke yi, jiu shi bu yao bian 0613 0169 3093 2589 2450 4104 0031 1942 0048 0668 0110, 1432 2508 0008 6008 6239]. It is imperative to firmly grasp the center of economic construction. Comrade Xiaoping had said those words before; it was not the first time he said them, but of course, this time, he made those remarks in depth and in a more systematic way.

Senior Official Urges Implementing Deng Speeches

HK3005052992 Hong Kong CHING CHI
JIH PAO in Chinese 30 May 92 p 3

[Report by special correspondent Chang Hua (1728 5478): “Implementation of Deng’s Remarks Continues To Meet Hesitancy; Li Ruihuan Indicates This Will Spell Disaster”]

[Text] Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee, recently called together persons in charge of the propaganda and political work departments and delivered a speech to them. He pointed out that those who are of two minds, are vague, and waver in implementing the speeches made by Deng Xiaoping during his south China tour, and those who deviate from the speeches, will reap disastrous consequences.

It is reported that Li Ruihuan made the speech after listening to reports by persons in charge of the CPC Central Committee Propaganda Department, and the China Research Committee for Political and Ideological Work Among Workers, in Beijing, 21 May. Xu Weicheng, deputy head of the CPC Central Committee Propaganda Department relayed the speech at the annual meeting of the China Research Committee for Political and Ideological Work Among Workers.

Li Ruihuan said that seeking unity of thinking by means of the theory and line for building socialism with Chinese characteristics initiated by Deng Xiaoping, concerns the party's and country's future and destiny.

He said: It is essential to earnestly implement the speeches Deng Xiaoping made early this year. Those who are of two minds, are vague, and waver in implementing the speeches, or deviate from them, will reap disastrous consequences. By adhering unwaveringly to the party's basic line for 100 years we mean to keep economic construction at the core of our work for 100 years. He pointed out: Ideological and political work is not allowed to deviate from this core. No one is allowed to "have his own way" or create two or more cores.

According to some sources, when inspecting the Capital (Shoudu) Iron and Steel Company, Deng Xiaoping expressed dissatisfaction with some people who are not doing their best to implement the speeches he made during his south China tour, saying that some people are implementing the speeches in a slapdash manner while others feel very depressed.

It is learned that Li Ruihuan has recently taken a low-key approach, only making public appearances when receiving foreign guests. The fact that his recent speech was relayed by Xu Weicheng, deputy head of the CPC Central Propaganda Department, who has been regarded as a conservative, carries profound implications.

Li Peng, Others Greet Wan Li on Return

OW0106101092 Beijing XINHUA in English
0959 GMT 1 Jun 92

[Text] Beijing, June 1 (XINHUA)—Wan Li, chairman of China's National People's Congress (NPC) Standing Committee, returned here this afternoon by special plane after an 8-day official, goodwill visit to Japan, which had been crowned with success.

Wan and his party were greeted at the Great Hall of the People by Premier Li Peng, Vice-Premier Yao Yilin, NPC Vice-Chairmen Peng Chong and Ngapoi Ngawang Jigme.

Wan's entourage arrived in Beijing aboard the same plane.

Commentator Article Urges Social Security Reform

HK2905111692 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 29 May 92 p 1

[Commentator's article: "It Is Imperative To Reform Social Security System"]

[Text] The reform aimed at changing operational mechanisms within enterprises necessitates corresponding measures, and social security system reform is one of the important corresponding measures.

Judged from the current practice, this kind of reform is urgently needed. At present, many enterprises are carrying out reforms of labor, personnel, and distribution. In the process, many enterprises have to adjust organization and posts, and reduce redundant personnel, and some enterprises must undergo closure, suspension, changing, or merging, and this will inevitably produce some unemployed and mobile personnel. If these personnel are not properly taken care of, the policy of hiring and firing personnel can hardly be implemented. Some enterprises develop tertiary industry, create more jobs, and give training to those who are about to leave, but some enterprises lack the conditions to open new ways and doors, and are unable to do what they want very much to do. This requires the whole society to attach importance to this problem. We must provide basic necessities to the unemployed through the social security system, help them to overcome their temporary difficulties, and encourage them to improve themselves, so they can find new jobs which will allow them to make use of their abilities.

Of course, social security does not merely mean providing the unemployed with basic necessities. A social security system is a system in which the state and society protect the basic subsistence right of the members of society in pursuance of certain laws and regulations. Social security includes many contents, such as unemployment, industrial injury, health, old-age pensions, and social welfare; it is an outcome of collectivized large-scale production, a symbol of economic development and social advance, a guarantee for social stability, and an important measure to create a favorable environment for economic development. Development of the social security undertaking is a basic requirement of a socialist system, as well as an embodiment of the superiority of socialism. Since the nation's founding, our country's social security system has played a big role in protecting the legitimate rights of workers and in promoting economic development and safeguarding social stability. From the Sixth Five-Year Plan to the Eighth Five-Year Plan, we have always viewed the establishment and perfection of the social security undertaking as an important task. During reform and opening up, the CPC Central Committee and the State Council promptly responded to the changing situation and proposed and adopted some important measures to strengthen social security. These efforts have promoted the healthy development of social security from various sides, and fostered the continuous improvement of social security amid reform.

However, judged from the current situation, our country's social security undertaking still has some shortcomings and inadequacies when compared with what is required by the new situation of reform and opening up. The main problem is a low degree of collectivization. This problem is manifested in the following areas: First, the range covered by social security is narrow, and is mainly confined to staff and workers of state-run enterprises. This hinders the flow of labor to various employment sectors, and causes uneven burdens among various

kinds of enterprises; this is not beneficial to equal competition on the one hand, and makes it impossible to divert risk to every corner of society on the other. Second, state-run enterprises have burdens which are too heavy. Once an employee is hired, the enterprise has to look after his daily life, health, old-age pension, housing, and even his children when they go to school or seek jobs; this heavy burden seriously hinders the development of the enterprise. This kind of system turns society behavior into enterprise behavior, and turns the portion which should be shouldered by the individual into the portion shouldered by the enterprise. Individual savings seldom go into housing and social security and similar consumption items, while the enterprise's capital is spent lavishly on housing, social security, and social welfare. This leads to a structural distortion of enterprise consumption and individual consumption. Third, our social security undertaking is being managed by many heads, we do not have a centralized management organ, and we lack standardized and modernized management methods. All these must be solved by expediting the reform of the social security system.

Social security system reform is a complicated project, and has a bearing on the vital interests of the broad masses of people and on social stability. Therefore we must proceed from the actual conditions in various localities, organize carefully, grasp firmly, and must not be careless and negligent. By carrying out reform, we will establish and perfect a centralized and multifold management organ or coordination organ as soon as possible; this is the organizational guarantee for developing the social security undertaking. Based on the actual situation, we should formulate a reform plan for our country's social security system, and the goal is to allow the social security undertaking to gradually move toward standardization, legalization, and modernization, and to increase the degree of collectivization of social security. At present, one key point of social security system reform is to change the situation in which state-run enterprises replace the state in exercising government functions, managing social and public undertakings, and taking sole responsibility for the social security undertaking; and to enable unemployment, industrial injury, health, old-age pensions, and other social security items to change from enterprise behavior to society behavior. We must leave the road whereby the state and enterprises lavishly take responsibility, and establish a social security (mainly insurance) fund which is reasonably shared by the state, collectives, and individuals. We must abandon different treatment for different enterprises, gradually standardize the method for collecting and distributing various social insurance fees, seriously grasp the management and regulated use of social security funds, continuously expand the range of coverage of social security, and promote the rational flow of labor and the development and perfection of the labor market. These measures are important conditions for promoting a change of mechanism within enterprises and allowing enterprises to move toward the market, and should be implemented simultaneously with reform of the enterprises.

Along with the further development of reform and opening up, various sides in society urgently raise many demands for social security. It is imperative to expedite social security system reform. It is hoped that party organizations and governments at various levels will attach great importance to this work and, on the basis of summing up experiences and soliciting various opinions, actively conduct experiments and make efforts to build as early as possible a new social security system with Chinese characteristics.

Official Interviewed on Criminal Investigation

HK2905055292 Hong Kong LIAOWANG
OVERSEAS EDITION in Chinese No 21,
25 May 92 p 3

[By staff reporter: "China Issues Wanted Circulars for Criminal Offenders Involved in Serious Cases Through Media—Interviewing Liu Wen (0491 2429), Director of Ministry of Public Security Criminal Investigation Bureau"; first paragraph is LIAOWANG editor's note]

[Text] In recent years, China's social order, like its political and economic situation, has been relatively good. However, there is no need for reticence about the fact that the past few years have seen some new problems cropping up in criminal activities on the mainland. Many criminal offenders committing serious crimes move from province to province or from region to region. After committing crimes, they abscond quickly. They are more and more devious in how they commit crimes, causing various kinds of difficulties to the police in their endeavors to solve cases and hunt down criminals at large. Therefore, the public security authorities have decided to carry out a reform in criminal investigation, i.e., to openly order through the media the arrest of criminal offenders who are on the run after committing serious crimes, to mobilize and rely on the masses in the struggle against criminals and further consolidate and expand the achievements in maintaining social order.

Recently, the public security organs in some places in China issued wanted circulars through the media, openly ordering the arrest of a group of criminal offenders who had committed serious crimes. This is a new form of effort made by China's public security organs to combat crimes, which has never been practiced before in New China's history [zhe shi xin zhong guo cheng li yi lai zhong guo gong an ji guan da ji xing shi fan zui gong zuo chu xian de yi zhong xin xing shi 6638 2508 2450 0022 0948 2052 4539 0110 0171 0022 0948 0361 1344 2623 7070 2092 2345 0438 0057 3690 4997 1562 0155 0427 3807 4104 0001 4429 2450 1748 1709]. Why did the public security organs do this? How successful has it been? What is the top public security leadership's plan? With these questions in mind, this reporter interviewed Liu Wen, director of the Chinese Ministry of Public Security Criminal Investigation Bureau and director of

the International Criminal Police Organization Chinese National Control Bureau. The following are Liu Wen's answers:

[LIAOWANG] In the recent past, some local public security organs openly ordered the arrest of criminals through the media. What is your comment on this?

[Liu] In the past year, some local public security organs issued wanted circulars through the media, openly ordering the arrest of criminal offenders committing serious crimes. This is to protect the social order better and promote social stability. I fully endorse it.

[LIAOWANG] Public security organs openly ordering the arrest of criminals through the media is a new attempt. Some people believe that the adoption of this method is because the social order problem is presently very grim. What is your opinion on this?

[Liu] At present, China's political situation is stable, the economy is developing, and the social order is also relatively good. It is out of the need for combating criminal offenses that some local public security organs have openly ordered the arrest of criminals committing serious crimes through the media.

At present, with the deepening of the struggle of combating criminal offenses, the criminals are becoming more and more devious. After committing crimes, they always try every possible means to avoid punishment by the public security organs. Some of the criminals involved in serious cases tend to abscond immediately after they commit major crimes. Some of them go to other provinces or regions to continue committing crimes and some lie low for the time being and wait for the opportune moment to commit more crimes, thus seriously jeopardizing social order. To guard the sanctity of the law and to avoid letting go scot-free the offenders involved in serious crimes who have escaped from the sites of imprisonment or have been on the run after committing crimes, the public security organs may, and should, use all possible means allowed by the law to arrest and bring them to justice as soon as possible. Openly issuing wanted circulars through media and mobilizing the broad masses to assist the public security organs in hunting and arresting the criminals at large is a method for cracking down on serious criminal cases based on the aforementioned conditions and consideration.

In my opinion, it is a good method whereby the public security organs can mobilize, and rely on, the masses for combating criminal offenders under the new circumstances, and is totally in line with the Chinese public security's traditional principle of integrating specialized work with the mass line. In the meantime, it may also form a strong deterrent force in the society, telling the criminals at large that the only way out for them is to give themselves up to the police and giving other criminals a warning.

[LIAOWANG] The public security organs in Nanjing, Beijing, and some other places have adopted this method. Is the effect very good?

[Liu] Yes. The public security organs in some provinces and cities [shi 1579] have achieved great success using this method. Last February, the Nanjing public security organ openly issued a wanted circular through the media for 121 offenders whose arrest had been approved or who had escaped from imprisonment and reform-through-labor sites or had absconded after committing crimes. Within a short space of one week, 103 were caught, 415 criminal cases solved, and illicit money and booty worth over 140,000 yuan were recovered. In February this year, the Luzhou, Sichuan, public security organ openly issued a wanted list for 376 criminals at large in various categories involved in cases dated back to 1983. In less than two months, 275 were caught, representing 73 percent of the entire list. Since February this year, the Beijing public security organ has openly ordered the arrest of 14 at-large criminals who had committed major crimes. So far, seven have been seized.

[LIAOWANG] Openly ordering the arrest of offenders involved in major criminal cases is to rely on the effort of the entire society to combat criminals. As far as the localities where this has been practiced is concerned, what is the enthusiasm of the broad masses like?

[Liu] Judged by the achievements made so far in various localities, the public is very supportive of the public security organs in ordering through the media the arrest of criminal offenders who are on the run after committing crimes. I just said that the achievements have been remarkable. Without the support of the broad masses, it would have been impossible to make such good achievements. Within a week after openly ordering the arrest of escaped criminals, the Nanjing public security organ received 278 clues from the public. Some members of the public not only gave clues to where the offenders were hiding but also offered to act as guides for the hunting operations. Just 15 minutes after the wanted notice was put on television in Beijing, the public security organ started receiving calls from the public offering clues. It was also according to the information from the public that a criminal from Xicheng District, Beijing Municipality, who had absconded to Hainan Province after taking part in a 100,000-yuan robbery, was arrested and brought to justice by the public security organ. Many other members of the public telephoned or wrote to the public security organs, suggesting that those who inform against criminals or offer clues to criminal cases must be rewarded and that whoever gives shelter to criminals should be heavily punished.

[LIAOWANG] As the top leading organ of the public security sector of China, does the Ministry of Public Security plan to issue wanted circulars through the media for major criminal offenders who are on the run after committing crimes?

[Liu] Yes, we do have such a plan. Recently, the Ministry of Public Security has been studying the proposal for openly issuing the ministry's wanted circulars and ordering the arrest of major criminal offenders at large through such central media as the Central People's Broadcasting Station, the Central Television Station, and RENMIN RIBAO, as well as FAZHI RIBAO and RENMIN GONGAN BAO. The names of the first batch of major criminals at large that are to be hunted down have been listed. Before long, an operation of hunting down major criminal offenders at large through the media, on a larger scale and covering a more extensive scope, will unfold throughout the nation. I believe this operation will come to a greater success.

Commentary on Orderly Reform, Social Control

HK0106091392 Beijing FAZHI RIBAO
in Chinese 14 May 92 p 3

["Special commentary on comprehensive improvement of social order" by Xiong Jining (3574 4949 1337) and Xu Weihua (1776 0251 5363): "On Orderly Progress of Reform and Opening Up and Control Over Social Destabilization"]

[Text] The key to the completion of China's evolution [yan hua 3348 0553] into a wealthy, strong, democratic, and civilized modern socialist society in an orderly way lies in the application of the two regulatory mechanisms of "development" and "stability" to regulate and control various "destabilization" phenomena caused by all kinds of "ups and downs" in society. While "destabilization" appears as required by the expansion of reform targets through courageous exploration and bold experiment, we should also restrain destructive destabilization and promote the changes of chain destabilization (ups and downs) in the orientation of being favorable to the new structure.

To speed up the modernization process in our country, we should adopt the criterion of "whether favorable to the development of productive forces in socialist society, whether favorable to increasing the comprehensive national strength of the socialist state, and whether favorable to the enhancement of the people's living standards," and should, through the "development mechanism" to magnify "ups and downs" as required by the targets of structural reform, "boldly absorb and take as reference all achievements of civilization created by human society and all advanced operation modes and management methods in light of the laws governing modern production, including those in the developed capitalist countries. Thus, partial and regional minor ups and downs will increase rather than decrease with the lapse of time, and will be magnified to major ups and downs at various levels [hong guan liang ji de cen zhang luo 1347 6034 6852 4787 4104 1461 3360 5507], thus promoting the formation of the new structure.

However, the process of such evolution must be orderly. So-called orderly evolution refers to the regular connections and changes between various social systems [she hui xi tong 4357 2585 4762 4827] or between various system factors [xi tong yao su 4762 4827 6008 4790], and this includes the time order, the space order, and the functional order. The time order means that as reform is a regular process, various concrete reform measures should be arranged in a correct time sequence. The space order refers to the regularity of the arrangements of new things and systems and old things and systems as well as their replacement in space. The functional order refers to the order and capacity of relationships and the interactive process of the systems and the external environment.

To promote the orderly progress of China's modernization through reform and opening, it is necessary to properly decide the timing and scope of formulating and executing various structural reform measures on the basis of comprehensively analyzing various socioeconomic conditions and the international environment; otherwise, continuous destabilization will be aggravated and expanded. If this is not properly handled, things will get out of control across the board and social unrest will arise.

The comprehensive improvement of social order is a systems engineering project, which applies the stability mechanism to regulate and control the untargeted destabilization. It is aimed at "maintaining social order and public security, safeguarding the stability of the state and society, guaranteeing the smooth development of reform and socialist modernization, and creating a favorable law-and-order environment for the complete fulfillment of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development."

Social order is in essence a kind of political and legal order. If the formulation and implementation of laws and regulations constitute a measure of orderliness in society, then the state of lawbreaking and criminal offenses constitutes a measure of disorderliness in society. Comprehensive improvement of social order is a strategy of "simultaneously stressing cracking down and prevention and taking measures with both immediate and long-term effects, with the stress on measures with long-term effects." One of its major tasks is to "crack down on various criminal and lawbreaking activities that do harm to society and administer severe punishment to criminal offenders who seriously jeopardize public security and social order," thus overcoming the destructive destabilization factors in China's modernization process. However, this principle also emphatically points out: "The problems of law and order give comprehensive expression to various social contradictions," so efforts should mainly be made to correctly regulate and control random destabilization and chain destabilization and to turn them into constructive destabilization. It is necessary to form a new structure of orderliness through changing people's thinking, management relations, and rules and regulations so that disadvantages can be turned

into advantages in the establishment of the new order. Thus, the deep-level problems in the modernization process can be solved through the elimination of contradictions. Therefore, the comprehensive improvement of social order is not contradictory to reform, opening, and economic development in our country; instead, the two sides support and complement each other.

The principle of comprehensively improving social order admits that the problems of law and order result from the comprehensive interaction of various social contradictions, and also stresses that the forces, methods, and means for thoroughly solving contradictions that affect social order and public security lie within the community. Therefore, it is necessary to mobilize and organize all forces in society and adopt political, legal, administrative, economic, cultural, and educational means to solve problems comprehensively.

The principle of comprehensively improving social order stresses "the combination of cracking down and prevention, the adoption of measures with both immediate and long-term effects, and the need to pay more attention to measures with long-term effects." The so-called "measures with immediate effects [zhi biao 3112 2871]" are aimed at dealing with the lawbreaking and criminal phenomena which have occurred or have come into existence. Punishments will be administered to lawbreakers according to the state's laws and policies. The so-called "measures with long-term effects [zhi ben 3112 2609]" refers to the actions of mobilizing all social forces and adopting various means to restrain, weaken, and eliminate lawbreaking and criminal factors and conditions in all aspects, thus preventing and reducing the occurrence of lawbreaking and criminal offenses. If the former are aimed at dealing with the "results," then the latter are aimed at dealing with the "causes." The comprehensive improvement of social order includes six links, namely, "cracking down, prevention, reform, education, management, and construction." They constitute an integrated body of functions. Cracking down, prevention, and reform are important links directed at the destructive destabilization caused by lawbreaking and criminal offenses. Under this premise, the principle of comprehensively improving social order regards lawbreaking, criminal offenses, and various destructive destabilizations as the results of the dislocation of the individual and social systems [ge ren he she hui xi tong de shi tiao 0020 0086 0735 4357 2585 4762 4827 4104 1136 6148], so stress is laid on the functions in the links of education, management, and construction, and the issue of improving social order is linked with reform and opening. The relationship between the issue of stability and the issue of development is thus changed from a superficial linkage into a deep-level combination. Thus, we can stand on the strategic plane of realizing modernization to solve the chain destabilization in the course of modernization, and can further solve these problems through further reform, thus promoting the changes of the chain destabilization in the orientation of being favorable to the new structure.

Here, education refers to education in the party's basic line, in national conditions, and in democracy and the legal system. We should properly educate our troops, the personnel of our dictatorship organs, Communist Party members, the general public, and young people. Through education, we can correct erroneous political orientations, lower and change people's unreasonable and incorrect expectations, reduce people's feelings of social frustration, increase understanding of the legal system, reduce or eliminate people's motives for breaking laws and committing crimes, and get rid of factors leading to destructive destabilization.

Strengthening management is an important means of eliminating the sources of crime, reducing problems of law and order in society, and establishing perfect order. However, the management work must suit the requirements of reform and opening. Management must not lead to inflexibility; and flexibility must be accompanied by orderliness. It is necessary to provide opportunities for vertical and lateral movement for society through the reform of the management system, thus mitigating people's feelings of frustration and turning negative factors into positive factors and turning the pressure in the social and political order into the impetus toward the structural reform.

Organizational construction is the fundamental way to effectively regulate and control various destabilizations and reduce the feelings of frustration in society, effectively absorbing and containing various forms of political participation and preventing social unrest. We must strengthen the construction of democracy and the legal system so that in our country's modernization process all individuals, social organizations, political parties, state organs, and armed forces will be able to express their own wishes and demands through the political system, and to exercise their own rights to safeguard their legitimate rights and interests. It is necessary to strengthen the regulatory, constraining, and guiding functions of our country's political system to meet these interest demands so that various contradictions, disputes, and interest conflicts can be solved on the basis of democracy and the legal system and so that the whole society can achieve a dynamic balance. Thus, a new order of socialist planned commodity economy can be established on the basis of democracy and the legal system, and the evolution toward modern society can be completed in the overall orderly condition of society.

The principle of comprehensively improving social order was put forward amid the surging tide of reform and opening. It holds that the problems of law and order in society arising in the course of reform and opening must be solved through further deepening reform and expanding the scale of opening. Problems of law and order arising at a certain stage of economic development must be solved through further development. The comprehensive improvement of social order will not only create a favorable environment for China's reform and opening, but is itself also part of reform and opening.

While playing a role in guaranteeing China's modernization, it will also, in the end, complete its own modernization.

Commentator on Reform, Crackdown on Criminals

*HK0106073792 Beijing FAZHI RIBAO
in Chinese 12 May 92 p 1*

[Commentator's article: "Persist in 'Doing Two Types of Work Simultaneously,' Attaching Equal Importance to Both"]

[Text] To build socialism with Chinese characteristics, we should persist in "doing two types of work simultaneously," that is, we should carry out reform and opening up while striking heavy blows at various criminal activities. This is one of the basic experiences we have gained in practice since the Third Plenary Session of the 11th CPC Central Committee. At a time when spring returns to the earth and heat waves of expediting reform and opening up are surging high, we must not forget this point even for a moment.

Some people may have a doubt: Does the emphasis on "cracking down on criminal activities" at this time run counter to the spirit of taking bolder efforts and bigger strides in reform and opening up?

Our answer is: The reform and opening up work is not opposite but complementary to the cracking down on criminal activities work. Only when we attach equal importance to both types of work can we unite in spirit and action and push forward the socialist modernization drive along a correct course.

The building of socialism with Chinese characteristics does not simply aim to fulfill a number of economic indexes; instead, it includes the building of both material and spiritual civilizations. In as early as January 1986, Comrade Deng Xiaoping sharply pointed out: "We have already scored considerable results in economic construction and the economic situation is gratifying. This is our country's success. However, what is the use of economic success if society's general trends are deteriorating? Society will become morally degenerate, which will then lead to the entire economy's deterioration. If such trends remain unchecked, society will become a place where corruption, theft, and bribery run rampant." This is by no means alarmist talk. Just think: If we suffer from "myasthenic" syndrome and fail to take strong measures against criminal activities, criminals of every hue will run amuck; corruption and bribery will be on the rampage; entrapping, hoodwinking, swindling, and cheating will prevail in society; and "counterfeits and imitations" will be widespread. Can we bring about development to economic construction, reform, and opening up under such a chaotic situation? Even if we manage to bring about "leaps" to our economy, can such a disordered society still be considered a socialist one under the people's rule? To be frank, before things get that bad, those who hold divergent views on reform and opening up and who have an ossified way of thinking will

surely put all the blame on reform and opening up, and will turn back the wheel on these excuses. Under such circumstances, we have no alternative but to stand firm and unshakable and attach equal importance to both types of work.

Others may have another doubt: Is it possible for us to win victory in this protracted war of "cracking down on criminal activities" under the present situation wherein the unhealthy tendencies both in society and inside the party have become so deep-rooted since the beginning of reform and opening up that they remain unchecked despite repeated bans; wherein a number of evil phenomena which have disappeared for many years have resurged; and wherein efforts are called for to "intensify reform and opening up"?

We should have confidence on this issue. During the early days of New China, all kinds of evil phenomena were prevalent throughout China. Relying on the vast masses of the people, our party eliminated from the Chinese mainland within a short space of three years all decadent and evil phenomena which had been in vogue for hundreds of thousands of years. Would it not be more difficult to eliminate all those deep-rooted evil phenomena at that time? Our strength of dictatorship and economic power today cannot be mentioned in the same breath with those of the old days. Today, with sufficient strength to keep off evil things coming from abroad and eliminate those "made at home," we are sure to puncture the arrogance of criminals and wipe out all decadent and evil phenomena. The key to success on this issue lies in whether we can really strike blows with clenched fists and move in real earnest, or just make a show of strength and withdraw forces after fighting only several rounds. Comrade Xiaoping was correct: On this issue, "efforts in real earnest will promise high hopes of success; otherwise, no hope can be seen at all."

What should we rely on then if we want to move in real earnest and strike heavy blows at criminal activities? To sum up, we still need to rely on the legal system.

The practice of reform and opening up at the initial stage of commodity economic development will surely bring along some undesirable things to society. This is quite normal and there is nothing to fear. What we need to stress is that management and the building of the legal system should keep pace with the demands of the times. We admit that the building of the legal system has always fallen short of demands of economic construction by half a beat, sometimes even several beats. Many loopholes exist from macroeconomic control and regulation to microeconomic operation, thus providing big and small spaces for various kinds of criminals to carry out their illegal activities. Moreover, some localities' failure in enforcing laws on some links in the previous several years have thrown the social order, especially the economic order, into confusion to a certain extent. We should conscientiously summarize the economic lessons learned during a previous period, try to bring about simultaneous development to reform and opening up

and the building of the legal system, and use the law as a social regulator to gradually consolidate the achievements of reform. Meanwhile, we should also pay attention to minimize the "negative effects" brought along by reform and opening up.

On the other hand, we should not tighten the control at one time and relax it at another. Instead, we should make timely revisions on legal provisions which no longer suit the demands of the new situation. A more important task currently confronting us is to vigorously reinforce the state machine of the people's democratic dictatorship; strengthen the building of the political and legal contingent in all aspects including human power, finance, and materials; and let criminals really experience the incessant strong deterrent of the sword of justice under the people's democratic dictatorship.

"In June, Heaven's armies chastise the corrupt and evil, seeking to bind roc and whale with a league-long cord." When the spring waves of reform and opening up resurge on the Divine Land, people will see that the dikes and dams of the people's democratic dictatorship are more solid and the socialist legal system's navigation mark is clearer than before.

Propagandist Links Reform, Economic Construction

OW3005192492 Beijing XINHUA Domestic Service
in Chinese 1432 GMT 30 May 92

[By RENMIN RIBAO reporter Zhang Shusheng (1728 6615 5110) and XINHUA reporter Wang An (3769 1344)]

[Text] The seventh annual meeting of the China Research Institute of Ideological and Political Work for Workers and Staff Members was concluded today. Participants in the meeting called for unifying thoughts and actions under the guidance of Comrade Deng Xiaoping's remarks and for conducting forceful ideological and political work to advance the cause of reform and openness. They described these efforts as primary ideological and political tasks currently facing enterprises.

Speaking at the meeting, over 500 delegates from relevant departments and enterprises in various parts of the country said: Intensification of the program of reform and opening up entails efforts to increase and improve ideological and political work; it also offers cadres engaged in political work an excellent opportunity to display their talent and render meritorious services in ideological and political work. In carrying out ideological and political work, we should promote efforts aimed at deepening reform and accelerating the pace of opening up.

Speaking at the closing session, Xu Weicheng, executive deputy director of the CPC Central Committee's Propaganda Department, said emphatically: We should unify thoughts and actions under the guidance of Comrade Deng Xiaoping's important remarks, study his remarks repeatedly, take reality into account, try to understand

the remarks thoroughly, and constantly improve our awareness of the need to implement them. He said: Comrade Xiaoping said that reform is also a means for releasing productive forces. We should consider the various elements of the productive forces. How do we liberate these elements—laborers, the targets of labor, and the tools of labor, especially in science and technology? What restraints are they subject to? What structural and conceptual factors exist? What arduous and concrete work should be done to shatter these shackles? People fully embrace the idea that the party's basic line should remain unchanged for a century. At the minimum, they espouse the idea that the central task of economic construction should remain unchanged for a century. This means that no other things should be placed at the center. Ideological and political work should by no means become the party's central task. This requires us to conscientiously subject our ideological and political work to the central task of economic construction and to make the former serve the latter. There should not be any interference in or deviation from economic construction. There is much to be done in serving economic construction. In short, it is a principal task to unify thoughts and actions under the guidance of Comrade Xiaoping's important remarks. We must firmly carry out this task, constantly deepen it, and realistically solve various practical problems regarding our understanding of its importance.

Xu Weicheng said: In deepening the program of reform and opening up, we should conduct forceful and effective ideological and political work. This will help us advance and promote the reform and open policy and fuel new economic growth. Herein lies our motivation in studying and implementing Comrade Deng Xiaoping's important remarks. This approach is crucial to displaying our abilities, truly exploiting our strengths, and genuinely strengthening our ideological and political work at an opportune moment. The practice of reform, openness, and modernization earnestly calls for strengthening ideological and political work in all sectors:

- We should help people understand the situation. Besides helping people understand current opportunities and challenges at home and abroad, we should, in particular, help them understand the economic situation so that they can make correct choices.
- We should help people emancipate their minds. Only if we provide correct theoretical guidance, possess ample knowledge, conduct painstaking and arduous work, and amass practical experiences can we truly guide people through bold pioneering efforts without letting them think and act wildly.
- We should ease contradictions, mollify feelings of discontent, and motivate workers and staff members during the course of reform and opening up. Besides helping the masses of workers and staff members increase their ability to cope with reform, we should

lend active support to reform, participate in reform, and try to become the true masters and motive forces of reform.

- We should create a stable political and social environment for our country's economic construction, reform, and opening up. We should cherish and maintain overall stability, adhere to the four cardinal principles, maintain a high degree of vigilance against the ideological trend of bourgeois liberalization, truly "stress efforts in two areas" and "carry out two types of work simultaneously," resist all kinds of hideous phenomena, eliminate various corrupt practices, and safeguard the program of reform and opening up.

Xu Weicheng also discussed the ways and means of improving ideological and political work in enterprises. He said: Since the Third Plenary Session of the 11th CPC Central Committee, we have achieved tremendous success and gained many valuable experiences in ideological and political work. We must fully affirm our achievements in this regard. At the same time, we should acknowledge the existence of many problems regarding the substance, effects, methods, and dissemination of ideological and political work. These problems result from many complex factors, changes in the environment, and the changed targets of such work. Our ideological and political work still fails to meet the needs of deepening reform and opening wider to the outside world in many areas. Besides changing the management and operational mechanisms of enterprises, we should institute a set of compatible ideological and political mechanisms so as to carry out ideological and political work more successfully. He also specifically discussed the need to guard against formalism, to strengthen regular ideological work, and to make good use of modern propaganda tools.

Delegates from over 30 units and enterprises, including the Gansu Provincial Party Committee and the Baiyin Nonferrous Metals Company, related their experiences at the meeting. The meeting commended 1990's outstanding enterprises and workers engaged in ideological and political work, and elected a new council and leadership body to the research institute.

Economic & Agricultural

Article Views Urban Land Use System Reform

HK2905015192 Beijing GUANGMING RIBAO
in Chinese 2 May 92 p 3

["Theoretical Exploration" column by Xu Xingji (1776 5887 0679) of Sichuan Province's Leshan City CPC Committee Policy Research Office: "It Is Imperative To Reform Urban Land Use System"]

[Text] Following the commodity economy's development, and thanks to the government's large investment in city development, the "place" that was once unattractive has now become the "golden port." This "place" is

land. Whether or not this "port" is good shows the grade differences [ji cha 4787 1567] of urban land. Its transfer and lease are the use of land rights. Our country's land market has quietly developed and is continuously expanding. This shows that following the deepening of reform of the socialist economic system, the reform of the urban state-owned land use system has become a trend, which calls for the socialist market system's development.

Management of "Invisible Market" of Land Badly Needs To Be Strengthened

In the process of city development and construction, for the transfer and leasing out of property, land occupiers are unwilling to divide their land; and if they join their land with others, they will break the law [yu fen bu yuan yu lian wei fa 2948 0433 0008 1959 2948 5114 6672 3127]. Neither the buyer nor the seller is willing to negotiate the property price. In fact, however, when one sells real estate, one takes into consideration one's land (absolute land rent) and the quality of its port (differential land rent) at the same time. Both [the buyer and the seller] understand this without talking about it publicly. Therefore, the "invisible market" of urban land has emerged. The emergence of the "invisible market" of land has complicated social and economic reasons.

Judging from the social reasons, for a long time, if one intended to obtain the right to use urban land, one had only to rely on the state's administrative allocation. The current urban land administration system is basically the "three have not's" system by which land is under the state's unified transfer and allocation without compensation, without specifying a definite period, and without mobility. Under this management system, the land administrative power is centralized, and the arrangement and use of land are made at the government's will. Land use is arranged by such modes such unified arrangement and administrative allocation. Once obtaining land in an uncompensated manner from government departments, some units and individuals can use it indefinitely. Moreover, land management means are unitary with administrative management as the mainstay, and the role of economic levers are not brought into full play; and corresponding laws, rules, and regulations, and supporting measures are lacking. In the meantime, this system also limits the mobility and transfer of the land right, making land users rigid. Of course, observed from the historical view, the current land use system basically suits the historical conditions in former times. However, history is proceeding and times are changing. The current land use system no longer meets today's need for the development of productive forces.

Judging from economic reasons, following the development of the commodity economy, to occupy "golden ports" on both sides of bustling downtown sections and city main streets, some units and individuals even buy or rent houses and sites at high costs. The fact that some enterprises are merged or close down gives rise to land

purchases, sales, and mortgages. The land use rate previously allocated to some units without compensation or at a low cost is not high. Since they are incapable of expanding, they rent out or sell parts of their land or "join" with units that need land. After taking over their pieces of land for use or after primarily developing them, some units directly transfer them and increase their prices in the repeated process of buying and selling. Bent solely on profit, some people secretly speculate in land, placing land in the circulation field, and turning it into capital. All this helps the "invisible market" development.

The situation mentioned above shows that there were serious weaknesses in the current land use system. First, the land use rate is low: With the uncompensated and indefinite use of land, land users lack an internal economic pressure and so no dynamic mechanism for the sparing use of land can be formed. Consequently, it happens that a large piece of land is used for an insignificant purpose, or is inefficiently used, or is occupied in the morning and used in the evening, or is taken over without being used. It turns out that they [land users] do not stress economic returns. Second, land allocation does not bring high returns: By planning land allocation and making unified arrangements for land use, the state, objectively speaking, strives to save land resources and wishes to optimize land allocation; but owing to the lack of land mobility, market mechanisms, and economic criteria for rational allocation, their objectively planned allocation and unified arrangements are out of keeping with the reality. They only reflect the will of the allocator, not market laws. Third, the direction of the flow of land returns is reversed: Due to the uncompensated use of land, land users profit from the land they are occupying; whereas as land owner, the state does not profit and its ownership lacks economic content. Moreover, the state spends large amounts of funds but does not profit, while large incomes flow into the pockets of units and individuals. Fourth, enterprises are in an unfair competitive position: In implementing city plans, enterprises do not obtain land of the same location, quantity, and scale from the government, and therefore obtain different returns from the land. However, it is difficult to distinguish what portion of profit is brought from the land factor from the profits of enterprises in their production and operations. This not only obscures the economic criteria used to assess enterprises and conceals the achievements of their operations, but also encourages enterprises that are occupying good places to profit without making achievements, and foster their idea of occupying as much land as possible. Fifth, the "invisible market" of land cannot be effectively banned: The commodity economy's development demands that there is land mobility in cities and towns and that it be optimally combined with other production factors. If land mobility is artificially restricted and if the land's attribute as a commodity is blotted out, it will inevitably follow that land speculators will seize the opportunity to play havoc with land administration. Sixth, the urban economy's development is restricted: Uncompensated

and indefinite land use makes it impossible for the state to obtain compensation or additional value from its land investment, causes land users to lack the concept of making inputs and outputs and the concept of time, rendering the state incapable of continuing to make land investments which it should, causing the aging of city infrastructure, and restricting the urban economy's development.

Basis for Urban Land Use System Reform

The existence of the "invisible market" of land badly demands that we reform the urban state-owned land use system. Owing to the serious distortions in returns from land, people say in a surprised manner: "Some units and individuals illegally use the differential rent system. This is a new example of making gains without effort and the new unfair distribution of social incomes." This is the mass basis for reform. In urban development, it is imperative that a comparatively stable, rational, and legitimate financial source be sought as it is the economic force for reform.

The content for the urban state-owned land use system's reform can be simplified to changing the "three have nots" to the "three have's," namely changing the uncompensated, indefinite, and immobile use of land into compensated, term, and mobile use, with the emphasis on compensated use. The land rent theory expounded by Marx in *Das Kapital* is the theoretical basis for the compensated use of urban state-owned land. He said: The possession of land rent is an economic form by which the ownership of land is realized, while land rent uses as the premise land ownership and some people's ownership of some pieces of land. He also pointed out: Land rent is the embodiment of land owners. Only after obtaining land rent can the land owner's law-recognized land ownership be embodied in economic interest. Capitalist land rent is an exploited income obtained by land owner by means of land ownership. It reflects the relationship of exploitation between the land owner and the land renter. Land rent also exists in socialism. But it is embodied not as a relationship of exploitation, but as a relationship of distribution in which the fundamental interests of the socialist state, collectives, and laborers accord with one another, and is used to develop production and improve the people's livelihood. This is the essential difference between socialist and capitalist land rent. We should acknowledge the attribute of land as a commodity, that is, acknowledging the commercialization of socialist land. The commercialization of land means the commercialization of land rent and the commercialization of the land right, not the commercialization of the ownership of land.

The "PRC Constitution," the "PRC Land Administration Law," and the "PRC Provisional Regulations Governing the Selling and Transfer of Urban State-Owned Land" offer the legal basis for practicing the compensated use of land. The Constitution provides that the "land right can be transferred in accordance with legal provisions." The Land Administration Law stipulates

that the "land right of state land and collectively owned land can be transferred in accordance with the law." The Provisional Regulations specify the concrete methods for the sale and transfer of land. On the question of the compensated use of land, as early as 1989, Comrade Deng Xiaoping said: "It is necessary to obtain some money by means of land so that the development of other industries can be brought along, incomes be increased, and benefit can be obtained." The "Opinion on Implementing Urban Housing System Reform in an Overall Way" by the State Council's Leading Group for Housing System Reform states that it is necessary to gradually bring about the operational mechanisms for the benign cycle of housing funds through various aspects of supporting reforms including the financial, commodity, real estate management, and land use systems. In view of this, it is extremely necessary to retrieve the funds, which have increased in value and yet which have seriously drained away, from state land departments, and then turn them over in their entirety to the government, and use them as explicit subsidies in housing system reform to lessen the economic burden of the state and the masses.

Vigorously and Steadily Proceed With Land Use System Reform

The urban state-owned land use system reform is the most fundamental task in the reform of the entire economic system, an important part in deepening economic structure reform, and an important measure for safeguarding the socialist economic system. On the premise of ensuring that land ownership remains unchanged, the state should practice the compensated use system. The unit using land has relatively independent rights over the land it is using. It [the state] should allow the legitimate transfer of the right to use land, and allow the market to assess and choose the users that bring the highest economic returns so that the optimum allocation of land resources can be realized. Moreover, through reform, we can open financial sources for the state, lessen its financial pressure, enhance the concept of state ownership of land, urge people to consciously and rationally use land, and prevent the waste of land resources.

In reforming the urban state-owned land use system, it is necessary to pay good attention to the following points: First, China is a socialist country and practices the public ownership of land. In the guiding principle, land must be guided by state plans and under macroeconomic regulation and control. Second, because a socialist country practices the planned commodity economy, it follows that the state, being the land owner, transfers the right to use land with compensation to land users within a definite period of time, and this gives rise to the state-owned land sales market. Third, our state-owned land sales market practices state monopoly and reflects the state's will. It must be coordinated with the national economy's development, and must never allow property speculators to engage in land speculative activities. Fourth, we practice the socialist land administration

system with Chinese characteristics, and the urban state-owned land use system reform must be subordinated to the state's industrial policies. For example, the state adopts preferential treatment for large and medium state-run enterprises, key industries which take priority over others in development, and foreign-invested enterprises. In this way, the optimum combination of production factors can be obtained, and an ideal effect in the development of land resources can be obtained.

'News Analysis' on Quality, Efficiency, Strategy

*OW3005143392 Beijing XINHUA in English
1416 GMT 30 May 92*

["News Analysis" feature]

[Text] Beijing, May 30 (XINHUA)—China is advocating a new agricultural development strategy from this year after reaping three successive bumper harvests. The strategy includes achieving an overall improvement in product quality and production efficiency while maintaining a steady increase in output of farm products.

Experts and local officials welcome the move, deeming it a change of far-reaching significance and an effective measure to settle problems which have arisen in agriculture over the past few years owing to its rapid development.

China has successfully fed its large population as a result of over ten years of rural reform. The domestic Chinese market has witnessed ample supplies of meat, fish, sugar and other farm products. The provinces of Jiangsu and Anhui did not have to rely on other areas for food help during last summer's disastrous floods.

Chinese farmers, however, do not always benefit from the good harvests. Stockpiles of farm products always remain a headache for farmers and their income in recent years hasn't seen any substantial improvement.

Low prices may be one of the reasons. But reckless production and lack of variety and high-quality products have resulted in stockpiles in all the major farm products such as grain, cotton, sugar, tea and tobacco. But demand for high-quality farm products has far outweighed supply.

The dilemma shows that China has generally kept a balance in supply and demand in farm products, and the country has to develop more high-yielding crops to feed the increasing population.

Meanwhile, better-off Chinese citizens are demanding more high-quality products and faster economic growth calls for better farming efficiency.

Such a situation forces China to make a choice. Farmers should step up their efforts to readjust crop structure, increase the acreage of high-quality crops and raise the per-unit output.

Experts think that governments at various levels should concentrate on guiding farmers to make production decisions in line with the domestic and international market demands. And efforts must be made to step up the circulation reform to attain a steady and sustained agricultural development.

Some southern provinces, such as Hunan, Guangdong and Fujian, are leading the country in this.

At present, detailed plans are under discussion at the central government level to develop high-quality and high-yield farming. According to an official at the ministry of agriculture, China plans to take ten years or more for its crop growth structure adjustment.

Yichang Prepares for Three Gorges Project

OW3005100192 Beijing XINHUA in English
0900 GMT 30 May 92

[Text] Wuhan, May 30 (XINHUA)—Yichang City in central China, the designated site for the Three-Gorges Project, China's largest water conservancy project on the Yangtze River, is busily preparing for the construction of the project.

Yinchang, which is located in central China's Hebei Province at the intersection of the upper and middle reaches of the Yangtze River, covers 21,000 square kilometers and has a population of over 3.9 million. The total projected potential hydro-power energy output for the region has been estimated to 30 million kilowatts.

At present, the city, which is home to the 2.71-million-kilowatt Gezhouba hydro-power station, is China's largest hydro-power generating center. In addition, a second hydro-power station with a designed generating capacity of 1.5 million kilowatts is under construction. Once the Three-Gorges Project, which will have a generating capacity of 17.68 million kilowatts, is completed, Yichang will become the world's largest power generating center.

The National People's Congress approved construction of the Three-Gorges Project in April of this year.

The preliminary design places the site of the Three-Gorges Project in Sandouping, a town some 50 kilometers from Yichang. The dam will be built on a 10-square-kilometer outcrop of granite.

Since the resettlement of from 170,000 to 200,000 people currently living in the area of the proposed reservoir will have direct impact on the construction, Yichang has conducted experimental resettlement efforts in 14 townships. In addition, the city has developed 1,700 hectares of farmland, and carried out 180 pilot projects to resettle 37,500 people. Sandouping and Letianxi towns will contribute 1,700 hectares of farmland and will resettle 17,000 people. The two cities have opened citrus orchards and Chinese chestnut groves covering 190 hectares, in addition to building roads and irrigation facilities. To date, some 720 farmers have settled in the area.

The city has also invested over 1 billion yuan in the construction of power, water supply, transportation and telecommunications facilities. A number of projects have been put into operation, including a 30,000-line program-controlled telephone system, four harbors along the Yangtze River, three highways, five waterworks and five transformer stations.

Yichang has expanded annual cement production from 600,000 tons to 1.2 million tons, while doubling the production capacity for bricks and construction porcelain, and opening a glass plant and a number of quarries.

At the same time, Yichang has invested over 220 million yuan to build orchards, vegetable gardens, and chicken, dairy, fish and pig farms.

The Three-Gorges Project has also offered the city new opportunities for development, and, at present, some five economic development zones designed to attract overseas and domestic investors are under construction.

East Region

Anhui City's Housing Reform Experience Reported

OW3005034192 Beijing XINHUA in English
0226 GMT 30 May 92

[Text] Hefei, May 30 (XINHUA)—Prior to 1986, citizens in Bengbu City, east China's Anhui Province, did not care much about housing rent whether they lived in small or large quarters.

However, since the initiation of housing reform in 1986, they have had to reconsider the thinking.

In recent years, rental rates in the city have increased from a low of 0.07 yuan to over 1.18 yuan per square meter. Along with increasing rental costs, Bengbu citizens have also been granted a housing subsidy which accounts for 21 percent of their monthly wages.

For example, Han Tiechui, a teacher in the Bengbu No.2 middle school, pays some 30 yuan a month for his less than 30 square meter apartment which is home to his family of three. The housing subsidy he receives however more than offsets rental costs.

Wang Pei, vice-mayor of the city, must pay 40 yuan a month for his housing covering some 90 square meters, in addition to the monthly subsidy.

Bengbu, along with Yantai City in Shandong Province, and Tangshan in Hebei Province, were the first cities in the country to pilot housing reform following State Council approval.

Since the founding of the People's Republic of China in 1949, the country has operated a housing system characterized by low rent and free distribution as material benefits.

Huang Shigui, director of the housing reform office in Bengbu, said: "The goal of housing reform is to transform the material benefits of housing into a type of consumer goods, and by doing so to ensure that the state, enterprises and institutions and individuals share in providing funds needed for housing construction and maintenance."

Yuan Desheng, an engineer at the Bengbu glass design institute, said: "I understand and support the reform, even though I have to pay 10 yuan more on housing each month."

A recent city survey shows that since the introduction of housing reform some 33.82 percent of the households in the city have been required to pay more for housing, with an additional average cost of 9.26 yuan per month. The survey also revealed that the overwhelming majority of the households having to pay more are the families of local officials who are usually allocated larger living quarters than the average local worker.

As part of an effort to spend less on housing, Liu Ping, deputy secretary of the Bengbu City Party Committee, exchanged her three-room apartment for one with two rooms.

To date, more than 800 households in Bengbu have moved into smaller housing or have applied for doing so.

According to Huang, the rise of rental prices has created a great strain on the budgets of some local households, especially those with many members but few workers, as well as the households of intellectuals who have been offered larger houses, and those who live on social relief. To solve such problems, the government is taking measures to offer special subsidies to these families.

At present, the per capita living space for the Bengbu citizens has reached 5.8 square meters, a rise of 0.4 square meters over 1986.

During the past six years, the city, which has an urban population of over 200,000, has collected 74 million yuan in housing, including 9.8 million yuan from rent collections alone.

In recent years, housing reform has been carried out in China in several stages, and beginning this year the reform will be implemented in all provinces, municipalities and autonomous regions, excluding Taiwan and the Tibet Autonomous Region.

Fuzhou's Overseas-Funded Firms Making Profits

OW0206041192 Beijing XINHUA in English
0217 GMT 02 Jun 92

[Text] Fuzhou, June 2 (XINHUA)—Overseas-funded enterprises in this capital city of east China's Fujian Province recorded an output value of almost two billion yuan (about 380 million U.S. dollars) in the first five months of this year, a 60 percent rise over the same period of last year.

In the same period, the almost 1,000 such firms exported 150 million U.S. dollars-worth of products and handed in almost 100 million yuan in taxes, up respectively 130 percent and 40 percent, compared with the figures for the same period of last year.

The output of overseas-funded firms accounts for 36.6 percent of the total industrial output of the city, compared with 14.7 percent in 1987.

According to local officials, these firms take the lion's share of the city's foreign trade; their export products took up 85 percent of the city's total in the first five months of the year.

Over 1,000 kinds of products made by these firms are sold in over 30 foreign countries and regions.

Their success is encouraging more overseas investors to invest in the city.

In the first five months the city government approved the setting up of 140 such firms, with a total investment of 240 million U.S. dollars—respectively 38 percent and over 100 percent more than the figures for the same period of 1991.

In April the city conducted a series of activities in Hong Kong to attract more overseas investment, and signed economic co-operation agreements or letters of intent involving three billion U.S. dollars.

Meanwhile, many existing overseas-funded companies have increased their capital due to the success of their investment, by 100 million U.S. dollars.

What's more, many overseas investors are now turning their attention to developing plots of land. Nearly 20 sq km have been developed and now house more than 120 overseas-funded projects.

Jiang Chunyun Speaks at City Secretaries Meeting

*SK0206050092 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 31 May 92*

[Text] On 30 and 31 May, the Shandong Provincial CPC Committee held a meeting of city and prefectural party committee secretaries to deeply study and implement the guidelines of Comrade Deng Xiaoping's important speeches and the instructions and documents of the central authorities; to sum up and exchange the situation and experience in speeding up the pace of reform, opening up, and economic development; and to study and arrange the work of further accelerating the pace of reform, opening up, and economic development. The meeting stressed the necessity of doing solid work and making concerted efforts to successfully accomplish several great things.

Jiang Chunyun, secretary of the provincial party committee, made a speech on how to deeply implement the guidelines of Comrade Deng Xiaoping's important speeches and the instructions and documents of the central authorities and to achieve the current work. Zhao Zhihao, deputy secretary of the provincial party committee and governor of the provincial government, made a report on provincial reform, opening up, and economic work.

Since the beginning of this year, particularly after the convocation of the provincial meeting to exchange the experience in deepening reform and the provincial meeting on opening to the outside world, the localities across the province have conscientiously studied and implemented the guidelines of Comrade Deng Xiaoping's important speeches and the plenary session of the CPC Central Committee Political Bureau. There emerges a fine economic development trend as well as a gratifying situation where the people from higher levels downward think of, discuss, and engage in reform and opening up and make efforts to speed up economic development.

Comrades participating in the meeting deeply studied Comrade Deng Xiaoping's important speeches and the instructions of the central authorities, closely proceeded from reality to sum up and exchange the work done in the preceding stage and the work experience, and made arrangements for future work. They unanimously pledged to further emancipate the mind; go all out to do solid work and to seek real results; and solidly push the province's reform, opening up, and economic construction to a new stage.

Comrade Jiang Chunyun delivered his opinions on further speeding up reform, expanding the scale of opening up, and achieving the current economic work.

He stressed: With regard to the ideology for guiding the current work, we should emphatically grasp not only the emancipation of the mind but also the implementation of the principle of seeking truth from facts, and prevent and overcome the phenomena of verbally emancipating the mind but being irresolute when touching reality and local interests. We should lay stress on mobilizing real enthusiasm but never engage in irregularities. We should proceed from reality, positively accomplish the things that can be accomplished, and not insist on doing the things that cannot be done. So, we should not only pay attention to ideologically mobilizing the enthusiasm of the people but also stress the necessity of doing solid work and promptly guide the cadres and the people to enthusiastically undertake action and do solid work. We should have not only great work enthusiasm but also strict a scientific attitude; do a good job in guiding, protecting, and displaying the enthusiasm of the cadres and the people; and have them adopt a scientific attitude and handle affairs according to the objective law. We should have lofty aspirations and far-reaching objectives, act according to our capability, and advance with steady steps. To speed up the pace of reform, opening up, and economic development, we should have the daring to try it, go ahead, and take a risk. However, we should painstakingly do the work. We should first define the development plan, then carry out the work in a down-to-earth and step-by-step manner, and strive to fulfill the plan with high efficiency and quality.

In regard to the issue of further deepening the urban enterprise reform, Comrade Jiang Chunyun pointed out: The government departments should streamline administration, delegate power to lower levels, change functions, and set up and perfect the social guarantee and service system. This should be linked organically with the reform of the enterprise cadre, employment, wage, and management systems. We should wholeheartedly rely on the working class, submit major reform measures and management policy decisions to the staff and workers' congresses for discussions, and have the broad masses of the staff and workers support and positively participate in the reform work. We should carry out the ideological and political work, appropriately solve the ideological and practical problems cropping up in the course of reform, and ensure the smooth and healthy progress of reform. In line with the central policies and

principles and the provincial arrangements, we should be sure to make several major accomplishments in opening to the outside world. All localities and departments should proceed from reality, set forth objectives and measures for opening to the outside world, and firmly attend to the implementation of their objectives and measures. We should establish the system of leaders at various levels assuming responsibility for the fulfillment of the tasks for expanding the scale of reform as defined by the province and strive to fulfill the tasks.

Comrade Jiang Chunyun stressed: We should pay full attention to the current economic work; set our eyes on the long-term interests; base ourselves on the current interests; persistently attend to both the export-oriented economy and the domestic-oriented economy; try every possible means to achieve the economic work for this year; and ensure new, greater headway in agriculture, industry, foreign economic relations, foreign trade, and tertiary industry.

Comrade Jiang Chunyun stressed in conclusion: Comprehensively implementing the basic line of the party and persisting in the principle of grasping reform and opening up with one hand and grasping the struggle against economic criminals with the other is a work principle that has constantly been advocated by Comrade Deng Xiaoping. At the time of laying prominent stress on speeding up the reform, opening up, and economic development, Comrade Deng Xiaoping also set forth definite requirements for building a spiritual civilization in his important speeches. To this end, we should comprehensively understand and accurately implement the guidelines of his important speeches. We should not only speed up the pace of reform, opening up, and economic construction but also strengthen the ideological and political work, party building, and the improvement of socialist spiritual civilization. Leading comrades at various levels should have a clear understanding and must never lower their guard or change their mind. Now, the situation is developing at a fairly rapid speed. New situations, new experiences, and new problems emerge in succession. Thus, leaders at various levels should keep abreast of the situation, consciously strengthen and improve their leadership over the current work, change their work style, improve their leadership efficiency, pay attention to discussing and grasping major matters, and concentrate energy on grasping the things and ingredients that are of decisive significance in developing the overall situation to promote the development of work in various spheres.

Shandong CPPCC Committee Official Dies

SK0206014392 Jinan DAZHONG RIBAO in Chinese
4 May 92 p 1

[Excerpt] Comrade Xu Meisheng, former vice chairman of the Shandong Provincial Chinese People's Political Consultative Conference [CPPCC] Committee, member of the Central Advisory Standing Committee of Jiusan

Society, and honorary chairman of the Shandong Provincial Committee of Jiusan Society, died of illness in the city of Jinan on 18 April, after all lifesaving efforts proved ineffectual. He was 91 years old. Comrade Xu Meisheng came from Yishui County of Shandong Province, joined the revolution in September 1948, and entered the CPC in November 1991. [passage omitted]

Investments Flowing Into Pudong New Area

OW0206043992 Beijing XINHUA in English
0310 GMT 2 Jun 92

[Text] Shanghai, June 2 (XINHUA)—Hundreds of domestic investors from throughout China flocking to the Pudong New Area in east China's Shanghai City, along with the foreign investment pouring into the zone, have fueled rapid development in the area which is expected to become a major contributor to the country's economic development.

To date, some 20 provinces and municipalities from throughout China have opened outlets to sell their products, and well over a dozen state ministries have opened materials wholesale centers for various commodities, including coal and automobiles.

Pudong is in the process of establishing a national grain and oil trade center which will serve as the country's central grain wholesale market.

Domestic investors have also expressed great interest in the zone's special policies concerning foreign trade. Since the minister of foreign economic relations and trade visited Pudong, in February, more than 30 local foreign trade companies have found locations in the Waigaoqiao Free Trade Zone. Meanwhile, some 12 foreign trade and materials supply companies have joined to open a materials and equipment supply center.

High technology projects have also appeared in the new area, including a number of projects undertaken by state-owned hi-tech companies and scientific institutes. These organizations combine to develop a hi-tech industrial base in the new area in order to encourage transfers, and provide consulting and technological services.

A number of provinces have been attracted by the opportunity in the new area because they can concentrate on the advantage of funding and technology to expand exchanges with the outside world. For example, east China's Anhui Province has invested in the development of the Yuan Industrial Zone in the new area, where some 20 Sino-foreign joint ventures from the province will build a huge industrial complex.

In addition, the Ministry of Aero-Space Industry plans to establish a foreign trade base in the new area, which is expected to become a technological cooperation center between China and foreign countries.

Shanghai Electrical Firm To Issue Stocks

OW3105135692 Beijing XINHUA in English
1345 GMT 31 May 92

[Text] Shanghai, May 31 (XINHUA)—The Shanghai Electrical Appliance Company, the oldest of its kind in China, has recently been given approval to issue stocks.

According to well-informed sources, this year the company will issue 45 million yuan (about eight million U.S. dollars) worth of A-shares, with 25 million yuan worth to be sold to individuals and the rest to legal persons.

Meanwhile, the issuing of B-shares for overseas investors is under preparation.

As one of the country's key producers in this field, the company enjoys a high reputation for its quality products which sell well both at home and abroad.

In the near future the company will invest the funds obtained from sales of the shares, as well as loans from the World Bank, in technological upgrading.

Central-South Region

Xie Fei Chairs Guangdong Anticorruption Meeting

HK0206014892 Guangzhou Guangdong People's Radio
Network in Mandarin 0400 GMT 22 May 92

[Text] A provincial conference to exchange experience in combating corruption was opened in the provincial party committee assembly hall this morning.

The meeting was intended to analyze Guangdong's experience in building clean government gained since reform and open policies were instituted and to make arrangements for further maintenance of the integrity of party and government departments.

Provincial party committee Secretary Xie Fei chaired today's meeting.

At the request of the provincial party committee and government, Wang Zongchun, member of the provincial party committee Standing Committee and secretary of the provincial commission for discipline inspection, made a report entitled: Conscientiously Evaluate Experiences, Resolutely Penalize Corruption, and Promote Guangdong's Crusade To Build Clean Government.

Wang Zongchun said: The key to making greater achievements in maintaining the integrity of party and government departments while expediting reform and opening and economic construction lies in party committees and governments and leading cadres at all levels attaching equal importance to material civilization and spiritual civilization, and this hinges on our leading cadres' understanding of the importance and necessity of attaching equal importance to the two types of work.

Wang Zongchun called on all levels of leading bodies and every leading cadre to comprehensively, correctly, and

profoundly understand the spirit of Comrade Deng Xiaoping's speeches on attaching equal importance to two types of work by applying the speeches to the reform and opening over the last 10 years and more and by integrating theory with practice, to enhance their consciousness in paying equal attention to the two types of work, and to take on the arduous tasks of promoting economic construction and building clean government, making sure they will really do the two types of work simultaneously.

Hainan Holds Meeting of Propaganda Directors

HK0106093292 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 22 May 92

[Excerpts] The two-day provincial meeting of propaganda directors ended yesterday [22 May]. The meeting stressed: Propaganda and cultural work must conscientiously implement the spirit of Comrade Deng Xiaoping's remarks made during his tour in southern China, base itself on the present task, and serve the extraordinary development of the economy of the special economic zone [SEZ]. Provincial party Deputy Secretary Gu Jinlin and Liu Xuebin, provincial party committee Standing Committee member and director of the provincial propaganda department, attended and addressed the meeting.

In his speech, provincial party Deputy Secretary Gu Jinlin stressed: Propaganda work must implement the spirit of Deng Xiaoping's remarks and serve the extraordinary economic development of the SEZ. He said: First, we must proceed from the high plane of the overall situation to deepen our understanding in both theory and practice of the need to use propaganda work to serve extraordinary economic development of the SEZ. The fact that propaganda work must serve economic construction is theoretically based on historical materialism and observes the law governing propaganda work. Second, propaganda work must follow a definite line of serving the economy. In other words, it must take the promotion of extraordinary economic development as its objective, with the emphasis on people, to give full play to the functions of propaganda work in terms of guidance, education, and supervision. [passage omitted]

Liu Xuebin, provincial party committee Standing Committee member and director of the provincial propaganda department, also spoke at the meeting. He assigned the task of propaganda work for the whole province in the next stage. He said: At present, we must give prominence to the focal point of our propaganda work. It is necessary to organize people to profoundly study, implement, and pursue the spirit of the important remarks of Comrade Deng Xiaoping. It is necessary to concentrate our efforts on the second battle of propaganda. Various localities and departments must proceed from their practical conditions to divide Comrade Deng Xiaoping's speeches into several special topics and organize the masses to profoundly study the key points. Their underlying objectives must be based on truly grasping

their work in a down-to-earth manner to speed up the progress of their work. [passage omitted]

Liu Xuebin stressed that, at present, we must properly organize the second battle of propaganda and take propaganda on large-scale reform and construction as a key content. There are five main tasks facing us:

First, we must vigorously propagate several important reform objects in our province this year to enhance people's psychological endurance regarding reform.

Second, we must vigorously propagate the viewpoint that science and technology are the primary productive forces and that it is necessary to invigorate Hainan with science and technology.

Third, we must vigorously propagate the spirit of the central work meeting to promote enterprises to deepen their reforms, transform their operational mechanisms, and enhance their economic efficiency.

Fourth, we must vigorously propagate the spirit of the Eighth Plenary Session of the 13th CPC Central Committee to promote the deepening of rural reform and agricultural development, creating a new situation in agricultural and rural work.

Fifth, we must vigorously propagate the importance of speeding up economic and cultural development in areas inhabited by minority nationalities, the party's policy for nationalities, and its achievements in nationality work, to enhance nationality solidarity. [passage omitted]

Hubei's Guo Shuyan Addresses Government Meeting

HK3005042692 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 14 May 92

[Excerpts] On 14 May, the provincial government called its 12th enlarged plenary meeting to mobilize offices directly under it to study in depth Comrade Deng Xiaoping's important speeches, further free themselves from old ideas, [words indistinct], and take effective measures to carry out various tasks set in the government work report so as to [words indistinct].

Governor Guo Shuyan gave an important speech at the meeting. [passage omitted]

Guo Shuyan said: The fifth session of the seventh provincial people's congress passed, after deliberation, the provincial government's work report. This report set the main tasks for governments at all levels across the province for 1992. The main responsibility for the provincial government in 1992 is to carry out the tasks in a comprehensive way under organized leadership.

Guo Shuyan pointed out: To make sure that the set tasks will be accomplished, we must acquire a clear understanding of the situation, seize the opportunity, and enhance [words indistinct] and our sense of urgency of making Hubei's economy a success.

He said: We should reaffirm our achievements made in reform and opening up and economic construction over the last few years. But we still have a long way to go compared with coastal developed areas. We must arrive at a sober understanding of this state of affairs and sharpen our vigilance. In the face of the desperate situation, if we still refuse to do all we can to catch up, introduce more liberal policies than coastal areas, and take more effective measures to effect above-normal development of our economy, narrowing the gap between Hubei and developed areas will be out of the question. Therefore, the people of the whole province, especially comrades working with provincial government departments, should develop a strong sense of urgency and danger. We should institute more flexible policies, take effective measures, and make concentrated efforts to effect an upswing in economic construction.

Guo Shuyan pointed out: To hasten Hubei's economic development, we must further free ourselves from old ideas and update our concepts. This is a key factor in our efforts to reduce the gap between Hubei and coastal developed areas. Hubei's realities show that we cannot further emancipate our minds until we have solved the following problems:

It is necessary for us to do away with the practice of following the beaten path in everything we do, persist in proceeding from reality, and further boost the enterprising spirit. We must also not be content with things as they are, not pay undue emphasis on maintaining stability and be afraid of disturbing the existing order, and not be resigned to the middling state. We must further enhance consciousness of economic development.

Everyone must not make his own policy and place his own interest above everything else. We must think of the overall interest. [words indistinct]

As things stand now, we should focus on following three things in order to free ourselves from old ideas:

1. Further enhance our awareness of the need to open to the outside world. [words indistinct] be practical and be particular about economic efficiency.
2. Foster the thinking of large-scale socialized production and further break with [words indistinct].
3. Further foster [words indistinct] commodity economy and truly raise economic efficiency. Attach top priority to economic efficiency in everything we do and make sure that this will be applied in every stage and every link of our economic work. In the meantime we must get rid of the concept of product economy [as heard] and subject enterprises to market forces so that the enterprises will strive for their existence and development in the course of keen competition.

Guo Shuyan emphasized: Since the basic principles and policies have been set, what matters is to put them into effect and to make earnest efforts. He called on various departments under the provincial government to check their duties against the tasks set in the government work

report and to formulate specific plans to accomplish the tasks as soon as possible in light of actual conditions. [passage indistinct]

We must properly handle the relationship between macroeconomic control and allowing flexibility in the microeconomy. The main task of transforming government functions is to change direct control by administrative means into indirect control by economic and legal means. Properly deal with the relationship between administration and service. Conscientiously scrap those documents and regulations that are not consistent with the present situation and do not meet the needs of economic development to create a liberal policy-related environment for reform and opening up to the outside world, which constitutes an important content of changing government departments' functions. A pressing matter of the moment is that all departments and their affiliated organizations must earnestly sort out policies and stipulations formulated in the past. Those policies and stipulations which should be revoked must be resolutely revoked, those powers that should be delegated to lower levels must be resolutely delegated, and those policies that should be put into effect must be put into effect.

Guo Shuyan said: To change government functions and improve government departments' work style, we must take immediate action and make earnest efforts. In the course of improving their work style and accomplishing set tasks, the departments under the provincial government must make concentrated efforts to solve outstanding problems concerning their work style.

Looking at Hubei's situation as a whole, this year we must make concentrated efforts to lessen peasants' burden, dismantle highway checkpoints [words indistinct], and check the tendency of indulging in wining and dining, which are four problems crying for immediate solution.

Guo Shuyan finally stressed the need for the provincial government and departments under it to consciously accept supervision by the People's Congress, to give full play to the Chinese People's Political Consultative Conference [CPPCC], to conscientiously process people's congress deputies' proposals and CPPCC members' bills, and to listen attentively to People's Congress deputies' and CPPCC members' opinions and suggestions. [passage omitted]

Hunan Commentary on Combating Rightism, Leftism

HK0106074692 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 21 May 92

[Station commentator's article: "It Is Necessary To Guard Against Rightism and Especially Leftism"]

[Text] To further emancipate the mind, deepen reform, and open wider to the outside world, we must eliminate leftist and rightist interference. At present, we must guard against rightism, but, more importantly, rid some

people's minds of the deep-rooted leftism. Both leftism and rightism have arisen within our party in the past. As compared with rightism, leftism has exerted a more profound influence upon us and has done greater harm to our cause. Wang Ming's leftist opportunist line almost cost us all our Red Army's base areas and all party organizations in White areas [the Kuomintang-controlled areas during the Second Revolutionary Civil War, 1929-37]. The havoc wrought by Lin Biao and the gang of four practicing ultra-leftism during the Cultural Revolution remains fresh in our memory. Outwardly, leftism appears very revolutionary, but like rightism, it basically runs counter to the Marxist ideological line of seeking truth from facts and separates the subjective world from the objective world and recognition from reality. Since the Third Plenary Session of the 11th CPC Central Committee, our party has reestablished the ideological line of seeking truth from facts and defined the basic line: focusing on economic construction, adhering to the four cardinal principles, and persisting in reform and opening up to the outside world. People have freed themselves from old ideas to a great extent. But the soul of leftism, which is a time-honored practice, has refused to leave so far and has affected some people's ideology. For example, some comrades keep quibbling over the surname of certain policies. They maintain that coastal areas are introducing and developing capitalism by carrying out reform and open policies. These comrades are appealing for reform and opening up in words but are overcautious in deeds. They do not dare blaze new trails and take a risk, proceeding like a woman with bound feet. Others persist in following the beaten path and dare not learn from advanced managerial and operational skills practiced in capitalist countries for fear that drawing on other's experiences will change our economic system and our society's nature. Ideologically, these people still regard Left Deviation Is Preferable To a Right One as their motto, believing they would become purer revolutionaries if they went further in practicing leftism. In fact, both leftism and rightism may become the ruin of socialism. Rightists used bourgeois liberalism to negate Marxism and socialism and tried to lead reform and opening up onto a wrong path, thus depriving us of the foundation for our nation, while leftists used ossified dogmas to consciously or unconsciously prevent socialism from growing and our country from becoming prosperous by way of reform and opening up, thus spelling an end to socialism. There is a good figure of speech: If a vehicle falls off a bridge while crossing it, the result will be the same no matter if it does so on the left or right side.

Certainly, when we direct our spearhead of struggle at leftism, we must be on guard against rightism. This requires that we adopt a scientific Marxist attitude and a scientific method. We must not apply rightism in combating leftism, nor must we apply leftism in combating rightism. With such an approach, we will not make big mistakes and our reform and opening up will certainly proceed in a correct direction.

North Region

Activities of Beijing's Li Ximing Reported

Addresses CYL Congress Opening

SK0106143592 Beijing BEIJING RIBAO in Chinese
6 May 92 p 1

[By reporter Cai Jianguo (2580 1696 0948): "The Ninth Municipal CYL Congress Opened Ceremoniously"]

[Text] Bearing the heavy trust of 870,000 members of the Communist Youth League [CYL] and bringing the great expectations of 3 million youth, the Ninth Beijing Municipal CYL Congress opened ceremoniously yesterday morning.

Attending the congress were 496 delegates from the municipal industrial, agricultural, communications, capital construction, financial, trade, cultural, educational, scientific and technological, and public health fronts. Among them were advanced youth who made outstanding achievements in building two civilizations in the capital, model CYL members and full-time CYL cadres who studied conscientiously and worked diligently, and delegates of minority or Taiwan nationalities.

Li Ximing, Chen Xitong, Wang Xian, Zhao Pengfei, Bai Jiefu, Li Qiyang, Wang Jialiu, Zhang Jianmin, Zhang Baokang, Meng Zhiyuan, Chen Guangwen, Ouyang Wenan, Zhang Baifa, Huang Chao, Lu Yucheng, Wang Baosen, and other leaders attended the congress.

Zhou Ying, deputy secretary of the municipal CYL committee, presided over the congress. The congress opened to the solemn national anthem. Zhao Wenzhi, deputy secretary of the municipal CYL Committee, gave an opening address. On behalf of the Eighth Beijing Municipal CYL Committee, Yao Wang, secretary of the municipal CYL committee, delivered a report entitled: "Make Contributions and Strive To Be Useful Persons Along the Orientation of the Youth Movement Guided by the Party's Basic Line." The main tasks of this congress are to listen to and discuss the work report of the Eighth Beijing Municipal CYL Committee and to elect the Ninth Beijing Municipal CYL Committee.

Li Keqiang, secretary of the CYL Central Committee Secretariat, read the letter of congratulations sent by the CYL Central Committee.

At the opening of the congress, Li Ximing, secretary of the municipal party committee, congratulated the congress and extended cordial regards to the CYL organizations and the broad masses of CYL cadres and members across the municipality on behalf of the municipal party committee and government. He said: On 3 May, the CPC Central Committee sent a letter to the CYL Central Committee, which pointed out: "The plenary session of the CPC Central Committee Political Bureau and the

important speech of Comrade Deng Xiaoping put forward the guiding principles, strategic ideology, and policy propositions for our country's reforms and development now and for a long time to come. The CYL committees should consider studying and implementing the guidelines of the plenary session of the CPC Central Committee Political Bureau and Comrade Deng Xiaoping's important speech as a task of prime importance and carry out their work actively, voluntarily, and creatively." The CYL organizations at all levels and the broad masses of CYL members and youth should act in line with the directives and demands of the CPC Central Committee, further deeply study and understand the guidelines of the plenary session of the CPC Central Committee Political Bureau and the important speech of Comrade Deng Xiaoping, and realistically implement them in close connection with the reality of CYL work.

Li Ximing stressed that the party's basic line is the lifeblood for building socialism with Chinese characteristics. The fundamental reason for our internationally recognized achievements in our country's socialist modernization since the 10-odd years of reforms and opening up is that we have formulated and implemented the party's basic line. China will have great hopes and good prospects if we continue to advance along this basic line. Firmly grasping the party's basic line for 100 years is in conformity with our national conditions and reflects the aspirations of the people of various nationalities across the country and the wishes of the broad masses of CYL members. It is hoped that these members and youth will foster lofty ideals and be a new force in unswervingly implementing the party's basic line.

He said: Youth are the most active and dynamic force in society. Vigorously liberating and developing the socialist productive forces is our party's fundamental task of leading the people throughout the country to build socialism. In the arduous course of realizing this great task, there are bright prospects for the broad masses of CYL members and youth. It is hoped that the CYL members and youth will further emancipate minds, persist in seeking truth from facts, actively participate in reforms and opening up, explore boldly, advance in a pioneering spirit, vie to be models and vanguards, make contributions in the great cause of building socialism with Chinese characteristics, and make new and still greater contributions to the capital's socialist modernization drive. CYL organizations at all levels should conscientiously study and probe into the laws and methods of CYL work under the new situation and promote CYL work with a spirit of reform. It is necessary always to strengthen the building of grass-roots CYL organs, enhance their appeal and their capacity for coherence and fighting, continue to strengthen the building of ranks of CYL cadres and members, and make CYL organizations realistically become big schools for the broad masses of youths to study communism in the course of practice.

Li Ximing called on party organizations at all levels and all social sectors to care for and support CYL work in the

spirit of holding great responsibility for youths and the future and destiny of socialism, further strengthen and improve the party's leadership over CYL, give a free hand to CYL organizations to carry out their work, and further display their role in building the two civilizations. Continued efforts should be made to comprehensively implement the "Circular of the CPC Central Committee on Strengthening and Improving the Party's Leadership Over the Work of the Trade Unions, CYL Committees, and the Women's Federations" and the guidelines of the relevant documents of the municipal party committee; actively create essential conditions for the work and activities of the CYL so that they can display their role; and help them to realistically undertake the heavy task of history of uniting with and educating the youths. Li Ximing said: The great cause of building socialism with Chinese characteristics requires the unremitting efforts of several generations or even a dozen or scores of generations, and the future of the great motherland rests on the younger generation. It is hoped that CYL organizations at all levels and the broad masses of CYL members and youth will rally closely around the party Central Committee with Comrade Jiang Zemin as the nucleus, raise their spirits, work vigorously to make the country strong, struggle arduously, and make big strides forward along the correct orientation of the youth movement guided by the party's basic line.

Inspects Fengtai S&T Park

SK0106125292 Beijing BEIJING RIBAO in Chinese
6 May 92 p 1

[Text] Yesterday afternoon, Li Ximing, secretary of the municipal party committee, braved the drizzle and traveled to Fengtai Science and Technology Park to inspect the work there. He listened carefully to briefings on the development of Fengtai park in the Beijing high and new technology industrial development experimental zone. Li Yongan, secretary of the Fengtai District party committee, and Li Yingwei, head of the district, gave specific briefings on the initiation and development of the development zone.

At a forum with leaders of the science and technology park, Li Ximing, secretary of the municipal party committee, pointed out: Developing advanced science and technology is the key to accelerating reforms and opening up and enabling economic development to enter a new stage.

The key to accelerating the development of advanced and new technology and to rapidly translating high and new technological achievements into productive forces is to let high and new technological products and achievements play a leading role, commercialize them, and place them on the market.

To successfully run and invigorate state large and medium-sized enterprises and to actively develop township enterprises, one of the most important things to do is to let advanced science and technology play a dominant role.

In referring to advanced scientific products, Li Ximing said: It is necessary to act in line with Beijing's advantages, use one's brains, and make a good choice. It is true that "projects that require a short construction period and yield quick returns and high efficiency" have their advantages, but we should not neglect the development of medium- and long-term projects and projects that influence a large area.

While touching on the development of the science and technology park, Li Ximing stressed that it is necessary to make full use of all policies and create fairly good working and living conditions for all sorts of specialized and technical personnel. The district party committee and government should strengthen strategic studies of the development of the high science and technology park and concentrate energy on it.

Visits Changping S&T Park

SK0106150892 Beijing BEIJING RIBAO in Chinese
8 May 92 p 1

[Text] On 7 May Li Ximing, secretary of the municipal party committee, traveled to the Changping Science and Technology Park to inspect its work. Li Ximing emphatically pointed out: To push the economy to a new stage, we must emancipate minds, unceasingly deepen reforms, and expand opening up, and we must rely on the development of new technology and new products to accelerate scientific and technological progress. The science and technology park should start its work on a new level, produce high and new technological achievements, and translate them into productive forces as quickly as possible.

According to plans, the Changping Science and Technology Park of the Beijing new technology industrial development experimental zone will cover an area of 40 sq km, and the first area of development will cover 2 sq km. The Changping Science and Technology Park has signed contracts with 28 advanced scientific and technological enterprises and has planned and issued licenses to 10, some of which will produce high and new technological products in such areas as electronics, chemicals, and food. The building of Changping Science and Technology Park has basically attained the investment environment of the "seven components of infrastructure: roads, running water, electricity, telecommunications, gas, drainage pipes and sewage pipes, and the leveling of ground for construction."

After listening to briefings given by Zhang Geng, secretary of the Changping County party committee, and Yu Changhai, county head, on the development and construction of the science and technology park, and on the thinking of pushing the economy of the whole county to a new stage, Li Ximing pointed out: To push Changping's economy to a new stage, we must concentrate energy on successfully building the science and technology park. In developing it, first of all, we must actively bring in and make arrangements for high and new technological items and implement all sorts of

policies well. Only by implementing policies can we induce and mobilize the enthusiasm of all sectors, absorb funds, and attract personnel. In the course of development, we should unceasingly examine whether the various formulated policies have been realistically implemented. It is necessary to actively bring in scientific and technical personnel and pay attention to training personnel of our own. All people, from township heads to managers of agricultural, industrial and commercial companies, and county cadres at all levels, should step up their training. On the one hand, our cadres should emancipate their minds and have courage to advance; on the other hand, they should unceasingly study new knowledge and increase ability. These two must be always grasped with great attention.

Li Ximing said: The scientific and technological experimental zone and the newly-built industrial park must pay attention to and give consideration to their power and energy basis, prevent pollution, protect the environment, and do a good job in building the investment environment.

Regarding the issue of pushing the entire economy of Changping County to a new stage, Li Ximing emphatically pointed out: The train of thought and the way of thinking they have proposed after studying the important speech of Comrade Xiaoping are quite good. Changping has fairly good conditions for developing science and technology, tourism, and an export-oriented economy. It is necessary to fully use and display these favorable conditions. We should step up our efforts to cultivate and develop markets and invigorate commerce and circulation. With markets, new technology, and new products occupying the markets, economic development will not occur at the original level. Instead, it will begin at a new and higher level. It is not very easy for us to push the economy to a new stage. We must work arduously and meticulously in a down-to-earth manner and strengthen the study of the development strategy and scientific planning.

Li Ximing pointed out in conclusion: To uphold the party's basic line on "one central task and two basic points" and to persist in taking economic construction as the central task, we must take a two-handed approach in our work and be tough in both. All work related to changing government functions, conducting reform of the political system, and strengthening socialist spiritual civilization, the building of clean governments, and party building must keep pace with economic development.

Yang Chaoshi, secretary of the municipal rural work committee, also joined the inspection tour.

Wang Qun Addresses Propaganda, Ideological Forum

SK3005061192 Hohhot NEIMENGGU RIBAO
in Chinese 1 May 92 p 1

[By reporter Guo Dongsheng (7653 2639 0524): "Party Committees at All levels Should Realistically Strengthen

Propaganda and Ideological Work Under the New Situation of Reforms and Opening Up"]

[Text] At the propaganda and ideological work forum sponsored by the regional party committee, Wang Qun, secretary of the regional party committee, emphatically pointed out that under the situation of large-scale reforms, opening up, and development, party committees at all levels should realistically strengthen propaganda and ideological work and further mobilize and organize the masses of cadres of various nationalities across the region to unite their ideology with a series of important expositions of Comrade Deng Xiaoping on building socialism with Chinese characteristics and with the guidelines of the fifth enlarged plenary session of the fifth regional party committee to promote sound development in reform and opening up.

The forum was presided over by Wuyunqimuge, member of the Standing Committee of the regional party committee and director of the Propaganda Department.

Qian Fengyong, Liu Yunshan, and Geriletu attended the forum.

Also attending were leaders of some leagues and cities and responsible persons of departments and bureaus directly under the regional government, mass organizations, some large and medium-sized enterprises, propaganda and ideological departments.

The forum was held in Hohhot on the afternoon of 29 April and on the morning of 30 April.

Wang Qun said: After the issuing of Comrade Deng Xiaoping's important speech during his inspection tour to the southern province, a new tide of large-scale reform, opening up, and development is being whipped up in the whole country. The excellent situation of building socialism with Chinese characteristics has arrived. This is an inevitable demand during the current developments and is the will of the party and people. We should be full of confidence in publicizing the excellent situation and the bright prospects of reform and opening up. He said: Reform is a profound revolution which will inevitably touch all spheres of social life and involve the readjustment of rights and interests of various sectors. When the people welcome and show support for reform, they will also have comprehension problems of one sort or another. This needs our efforts to adopt various forms to extensively and deeply study, publicize and implement the spirit of Comrade Deng Xiaoping's important speech and the guidelines of the fifth enlarged plenary session of the fifth regional party committee. Our efforts are needed to realistically strengthen propaganda and ideological work, and to help the cadres and the masses eliminate misgivings, enhance understanding, and actively plunge into the mighty tide of reform and opening up. This is the great and glorious mission of comrades on the propaganda and ideological front.

Wang Qun pointed out: To deeply study, actively publicize, and comprehensively implement the spirit of Comrade Xiaoping's important speech and to use the socialist theory with Chinese characteristics to unify the ideology of the broad masses of cadres, we must uphold the viewpoint that we must persevere in the basic line of "one central task and two basic points" for 100 years; never waver in our stand of upholding the socialist theory, line, principles and policies with Chinese characteristics; and persist in combining theory with practice and uphold the viewpoint that practice is the sole criterion for testing truth. Leading cadres at all levels should take the lead in study, propaganda, and implementation, and persist in following the mass line.

Wang Qun stressed: Party and government leading organs, all trades and professions and various departments should take a two-handed approach in work and be firm with both, and should not set politics against the economy, and should bear in mind that what we have engaged in is socialism with Chinese characteristics and not otherwise. Party and government organizations and leaders at all levels should pay attention to ideological work. It is not strange to have problems of one sort or another in the process of reform. The crucial issue is that leaders at all levels must promptly and accurately understand the situation, and guide and help the masses of cadres through patient and meticulous ideological and political work.

At the forum, leaders of Hohhot and Baotou cities and responsible persons of some enterprises gave speeches on studying and implementing the spirit of Comrade Deng Xiaoping's important speech and on carrying out ideological work.

Early Marriage Noted as Problem in Inner Mongolia
SK3005004792 Hohhot NEIMENGGU RIBAO
in Chinese 3 Apr 92 p 4

[Excerpts] Population is a matter concerning thousands of families and all sectors of society and the most

important parameter directly affecting social and economic development and people's living standard. Although pertinent departments, newspapers, and magazines have emphasized on many occasions in newspapers and magazines the need for reducing the birth rate, improving the quality of the population, and keeping population growth in conformity with per-capita income, the region's early marriage and early child birth have become increasingly serious over the past few years and have directly threatened the region's endeavor to attain its population target. This is a problem that we must not neglect.

As was shown in 10 percent of the data of the region's fourth census, the number of married people who were under the legal age rose from 136,600 in 1982 to 160,600 in 1990, an increase of 24,000 in the eight years from the third census to the fourth census. Compared with 1982, the proportion of the people who were married early increased by 0.59 percentage points in 1990. In 1982, one in every 20 persons (aged between 15 and 20) were married, and in 1990, one in every 18 persons were married.

The data showed that 82 percent of the people who were married early lived in rural areas (including towns under the jurisdiction of counties), and 18 percent in cities. This meant that for every 100 persons of the same age, 4.5 persons in rural areas and one person in cities were married. [passage omitted] Early marriage increased the number of the persons who gave birth early. The birth rate of those who married early in the region already rose from 21.34 per thousand in 1982 to 36.32 per thousand in 1990, an increase of nearly 15 permillage points. In 1981, the number of women who had children at a young age in the region accounted for 6.43 percent of the total number of women who gave birth, and in 1989, it rose to 12.75 percent, increasing nearly two times. Due to early child birth, 22,000 more babies were born in the region in 1989. [passage omitted]

Officials Discuss Setting Up Office in Moscow*OW3005084592 Taipei CNA in English 0748 GMT 30 May 92*

[Text] Taipei, May 30 (CNA)—Officials at the Ministry of Foreign Affairs said Friday that establishing an office in Moscow should be a priority work in developing the Republic of China's [ROC] relations with Russia.

Economic and technological cooperation can be actively pursued only after an office has been set up, they said.

Russian President Boris Yeltsin's adviser, Nikolay Malishev, reportedly said Moscow is willing to transfer military technology to the ROC.

Commenting on the report, the officials said it might be premature to talk about transfer of military technology before a regular channel of communications has been established.

They agreed that technological cooperation between the two countries are in the interest of both, since Russia is short of foreign exchange but strong in science and technology, while the ROC can help Russia economically.

Liu Ting-tzu, secretary general of the China External Trade Development Council (CETRA), pointed out that the ROC and Russia, whose economies are complementary, are "potential partners" in trade and economy.

Liu told a seminar on investment in Russia that Russia has advanced technologies but lacks experience in production and marketing of consumer goods, which the ROC has in abundance.

A Russian official responsible for aerospace industry also said here one month ago that his government has lifted a ban on selling MiG fighters, passenger jets and related technologies to Taipei.

ROC officials said sales of defense technology cannot be regarded as purely commercial activities.

As to the civilian aircraft, they noted that currently the international aviation market is dominated by Western aircraft whose production and maintenance are totally different from the Russian system.

The biggest drawback, therefore, would be poor market prospects if the ROC enters into aerospace cooperation with Russia, they said.

Yeltsin Adviser on Military S&T*OW3105000592 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 29 May 92*

[From the "Taiwan News Hookup" program]

[Text] Dr. Nikolay Malishev, scientific and technological adviser to Russian Republic President Yeltsin, indicated that Russia is willing to transfer much of its military

science and technological knowledge to Taiwan under various commercial cooperation formats, hopefully in exchange for Taiwan entrepreneurs' help in transforming Russia's military science and technological industries to civilian enterprises—an effort to create economic and trade opportunities between the two countries.

Dr. Nikolay Malishev, who led a delegation to a seminar entitled "Dramatic Changes, Opportunities, and New Russia," arrived here yesterday.

Ukrainian Plane To Transport Medical Aid in Jun*OW3005084492 Taipei CNA in English 0752 GMT 30 May 92*

[Text] Taipei, May 30 (CNA)—A large Ukrainian airplane will arrive here in mid-June to bring home medicines donated by Taiwan.

Taiwan has donated US\$12 million worth of medicines to Ukraine. The China Airlines, the flag carrier of the Republic of China, brought the first batch of the medicines to Kiev in April. A Ukrainian AN124 airplane will bring home the rest of the humanitarian medical supplies.

Accord With MONTSAME on News Exchange*OW0206085692 Taipei CNA in English 0803 GMT 2 Jun 92*

[Text] Taipei, June 2 (CNA)—An agreement to exchange news materials between MONTSAME, the national news agency of Mongolia, and the CENTRAL NEWS AGENCY [CNA] of Taiwan was signed yesterday in Taipei.

Under the agreement, the two news agencies will exchange news photos and news stories, especially those about travel, economics, and trade.

The agreement was signed by CNA President Joe Hung and MONTSAME First Deputy Director Tudeviiin Galdan.

MAC Opposes Direct Mainland Transportation Link*OW3005084692 Taipei CNA in English 0808 GMT 30 May 92*

[Text] Taipei, May 30 (CNA)—The Mainland Affairs Council (MAC) has prepared a lengthy article to argue against establishing direct transportation links with Communist China.

Foremost among the reasons is that Peking [Beijing] is still hostile toward Taipei, a factor unfavorable for creating an environment for setting up the so-called "three links" across the Taiwan Straits, the MAC said.

The article pointed out that politically, Peking has kept on blocking the Republic of China's [ROC] attempts to play an active role in the international community.

Communist China has been trying to frustrate Taipei's bid to join the General Agreement on Tariffs and Trade (GATT), it said.

It added that Peking has done its best to sabotage ROC talks with Germany, Yugoslavia, Hungary, Japan and Hong Kong over aviation arrangements.

Peking's interference has forced Taiwan to stop twice its regular flights to Canada and Vietnam last summer, the article said.

"Peking is working hard to isolate Taiwan on the one hand and demanding direct shipping links with Taiwan on the other hand, fully demonstrating its bullying mentality," the MAC document said.

It asked, how can both sides establish the three direct links while Peking still refuses to recognize Taipei as an equal political entity?

It requires government-to-government agreements to set up direct shipping, commercial and postal links, the article noted.

If Peking refuses to accept flying or shipping permits issued by the ROC Government, there is no guarantee for aircraft or vessel safety, the MAC said.

It added that the direct links will cause Taiwan a lot of problems in taxation, cargo licencing, commodity checking, and smuggling.

Before Peking promises not to use the force of arms against Taiwan, direct air and shipping links will create immense security problems for Taiwan, it said.

The MAC article quoted the remarks of Ma Tien-tuo, secretary general of the ROC Shipping Development Association, to explain the possible effects of direct shipping links.

Ma said it would be very difficult for the Taiwan shipping industry to establish a good "shipping order" because the provinces, cities, and special zones of mainland China have different shipping regulations.

Currently, Taiwan cargoes bound for the mainland are transported through Hong Kong. Ma said it is more "economic" to do so than shipping them directly to the mainland.

If Taipei opens the direct shipping links, Mainland China could unleash its huge numbers of passenger and cargo ships to compete with Taiwan's shipping industry at unfairly low prices, it warned.

Moreover, mainland Chinese boats' low efficiency in loading and unloading cargoes could paralyze ROC ports, the article added.

China Development Corporation Chairman Approved
OW3105074892 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
29 May 92

[From the "Taiwan News Hookup" program]

[Text] It has been decided at the higher level that Liu Tai-ying, president of the Taiwan Economic Research Institute, will be appointed chairman of the board of the China Development and Trust Corporation. Liu Tai-ying will be responsible for promoting scientific and technological exchanges between the two sides of the strait.

Hong Kong**Vice Premier Zhu Rongji Meets Entrepreneur**

OW3005120692 Beijing XINHUA in English
1148 GMT 30 May 92

[Text] Beijing, May 30 (XINHUA)—Chinese Vice-Premier Zhu Rongji met and had a cordial conversation with Lu Sin, a noted entrepreneur of Hong Kong, and his party here today.

Lu Sin, who is chairman and managing director of Kian Nan Financial Limited of Hong Kong and several other enterprises, has so far helped set up more than 10 enterprises and some 80 primary schools in east China's Fujian Provinces.

Further Reportage on Issue of Basic Law Amendment**XINHUA Official Reiterates Stance**

HK0106123792 Hong Kong Television Broadcasts
Limited in English 1115 GMT 1 Jun 92

[From "News at 7:15" program]

[Text] China has kept up its attack on a British comment that the Basic Law can be changed before 1997. Diana Lin reports.

[Begin recording] [Lin] The latest volley was fired by the deputy director of the NEW CHINA NEWS AGENCY Zhang Junxiang about Alastair Goodlad's by now much-maligned comment that Beijing could change the Basic Law if it wanted to. Zhang said the amendment procedure had been discussed at length during the drafting stage and enshrined in the Basic Law, so no such procedures are valid until the Basic Law is implemented after China takes over Hong Kong in 1997.

[Zhang, in Mandarin] Some people distorted our words by claiming that we had said the Basic Law could not be changed. They did not even understand the meaning of our words. The Basic Law can be amended, but not before before 1997, nor before its implementation. Actually, these problems have already been discussed at length during the drafting stages of the Basic Law, before the Basic Law was finalized.

[Lin] Zhang's argument is that the Basic Law, Article 68 in the text itself, says that the formation and procedures of the legislature is prescribed in Annex 2, and Annex 2 says that the first legislature shall be formed in accordance with a decision of the National People's Congress [NPC]. Zhang says the three documents are interlinked, so the NPC decision on the first post-1997 legislature, to be formed in 1995 for convergence sake, can't be changed without changing the Basic Law itself.

But legislator Szeto Wah today joined a chorus of liberal voices questioning why a decision made by the NPC could not be changed by the NPC at any time.

Diana Lin, TVB news. [end recording]

Liaison Group Representative Cited

HK3105061892 Hong Kong TA KUNG PAO in Chinese
31 May 92 p 10

[Report: "Chinese Representative to Sino-British Joint Liaison Group Rules Out Possibility of Revising Hong Kong Basic Law"]

[Text] Guo Fengmin, chief Chinese representative to the Sino-British Joint Liaison Group, stressed yesterday that amendment to the Basic Law before 1997 is out of the question. This problem was clearly settled long ago, so there is no need to discuss it again.

On financial arrangements for Hong Kong's new airport, Guo Fengmin pointed out that consultations between the Chinese and British sides are under way. The Chinese side raised some questions focused on financial arrangements and possibly other issues.

While attending the reception given yesterday by the Kowloon East District Federation to mark its first anniversary, Guo Fengmin told reporters that financial arrangements for Hong Kong's new airport is not a matter of explanation. The attitude of the Chinese side is to strictly abide by the Sino-British Memorandum of Understanding and consider matters by proceeding from the long-term interests of the Hong Kong inhabitants. In light of the spirit of the Memorandum of Understanding, the Chinese side is consulting the British side through the Airport Committee under the Sino-British Joint Liaison Group. The Chinese side raised some questions focused on financial arrangements and possibly other issues. The Sino-British Joint Liaison Group will hold a meeting next month. He did not disclose specific contents of the meeting.

Regarding independence of Radio Hong Kong, Guo said the position of the Chinese side is very clear.

On the same occasion yesterday, Luo Jiaquan, Chinese representative to the Sino-British Joint Liaison Group, said that the Chinese side has made proposals on the financial arrangements for the new airport. Now, we are waiting for a response from the British side. I believe, he said, both sides can hold consultations in light of the spirit of the Memorandum of Understanding and easily resolve the question.

Luo Jiaquan continued: We hope that there will be more private firms involved in capital accommodation for Hong Kong's new airport. By encouraging more investment by private firms, the government can make less investment and leave more financial reserves for the future Hong Kong Special Administrative Region [SAR]. The Chinese side takes the burden of the future SAR and Hong Kong people into account at all times. I hope you will trust this sincerest starting point of the Chinese side.

Views of 'Public Figures' Noted

HK0106060992 Hong Kong WEN WEI PO in Chinese
29 May 92 p 11

[Report: "Some Hong Kong Affairs Advisers and Public Figures Maintain That No Conditions Exist for Amendment of Basic Law Before 1997"]

[Text] Several Hong Kong affairs advisers and public figures commented on the statement by a British Foreign Office minister that the Basic Law can be amended at the present time. They expressed surprise at Mr. Alastair Goodlad's remarks, maintaining that no conditions whatsoever exist for the amendment of the Basic Law before 1997 and that the Chinese Government will never accept its amendment. They maintained: That some people raised the question of increasing the number of directly elected Legislative Council [Legco] seats in 1995 and amending the Basic Law has revived the old dispute over directly elected Legco seats. They have done so for their own interests. That is irresponsible behavior and harms the stability, prosperity, and smooth transition of Hong Kong. In so doing, they have never considered the interests of the people of Hong Kong.

Dorothy Liu Yiu-chu, deputy of the National People's Congress [NPC] and Hong Kong affairs adviser, was surprised at the remarks Goodlad made yesterday. She said: Only the NPC has the right to amend the Basic Law, which is the constitution of the future Hong Kong Special Administrative Region [SAR]. Moreover, amendments must be made in line with the opinions of the Hong Kong Basic Law Committee.

It took five years for the Basic Law to be drafted, for views to be solicited, and for the law to be decided on and passed by the NPC. During this period, opinions from people of all sectors, including half the members of the Hong Kong Drafting Committee, were collected and synthesized. It reflects the interests of all social strata and is widely representative.

Although the NPC has the right to amend the Basic Law, it will never do so. She did not understand why Goodlad looked at the matter in such a strange way.

Regarding some Hong Kong people's view that since the 1995 Direct Elections Act has not been written into the Basic Law, the NPC decision can be amended, Liu Yiu-chu said that is very absurd.

Since the decision and the Basic Law are an integral whole, and since, during their drafting, they were considered in an overall way, were submitted to the NPC for deliberation at the same time, and were officially approved on 4 April 1990, they possess the same legal solemnity.

The then NPC accepted the opinions of Hong Kong representatives, and confirmed that the above-mentioned act did not conflict with the PRC Constitution, thus ensuring the stability of the law.

If the NPC so readily amends the Basic Law in conformity with the will of some people, then Hong Kong will lose the guarantee for its prosperity and stability. Therefore Liu Yiu-chu said that people advocating this view are, in fact, irresponsible regarding the people of Hong Kong and that they never take into account their interests.

While being surprised at the British Foreign Office minister's witless [di neng 0144 5174] remarks, Liu Yiu-chu stressed that it is necessary to clarify the question so as to avoid unnecessary misunderstanding.

Ng Hong-man, NPC deputy and Hong Kong affairs adviser, said: Calling for amendment of the Basic Law before its implementation will harm the solemnity of the law. Moreover, the dispute over directly elected Legco seats already existed at the beginning of the drafting of the Basic Law. Now that the Basic Law has been decided, if a new dispute is raised, it will virtually amount to the reversal of the case [as published] and will be very unfair.

Cheng Yiu-tong, NPC deputy and Hong Kong affairs adviser, said: The Basic Law was formulated after extensively soliciting views for four years and going through certain legal procedures. All of its provisions safeguard the interests of Hong Kong people; therefore, suggestions for its amendment will have extremely dangerous consequences. In addition, if the Basic Law is amended before implementation, it will cause some procedural confusion. He maintained that mentioning the old dispute, which had been raised before the Draft Basic Law was determined, was not good for Hong Kong.

Kan Fook-ye, member of the Chinese People's Political Consultative Conference and Hong Kong affairs adviser, maintained: The fact that the British side mentioned amendment of the Basic Law is an unwise action. The British side has always liked to use the "public opinion card," and yet paid no attention to the strength of public opinion. In fact, raising the question of amending the Basic Law and increasing the number of directly elected Legco seats at the present time will only weaken residents' confidence and cause turbulence during the transition period, and will definitely affect British rule during this period.

Kan Fook-ye said: At present, there is no reason to amend the Basic Law. Amending the Basic Law before its implementation will play great havoc with the prestige of the Basic Law and greatly weaken people's confidence in it. The Basic Law was meticulously and carefully formulated after being discussed in society for over four years, with the establishment of the Drafting Committee and the Advisory Committee. Is it necessary to reestablish the Drafting Committee and the Advisory Committee if amendment of the Basic Law is proposed now? This is infeasible.

Causing a dispute over the amendment of the Basic Law, Kan Fook-ye maintained, is negative propaganda and will reduce people's respect for the Basic Law.

Hong Kong affairs adviser Hu Fa-kuang said: Raising the question of amending the Basic Law by increasing the number of directly elected Legco members, which will plunge [Hong Kong] into a social argument, will not only increase unnecessary disputes and contradictions between China and Britain, but also be unfavorable to social stability and prosperity.

Answering questions by this reporter, Hu Fa-kuang stressed that the political system in 1995 must match the Basic Law to be implemented in 1997. He maintained that although the British can propose increasing the number of directly elected Legco seats to more than 20, the Chinese side will not accept that. If the number of directly elected Legco seats really exceeded 20 in 1995, it would be impossible for them to take the "through train" in 1997.

Hu Fa-kuang maintained that a set of procedures has been set out for the amendment of this law, and that it is impossible, in any case, to amend it before the Basic Law is implemented.

Hu Fa-kuang also said: At present, only a few people and some political groups are raising the question of amending the Basic Law to increase the number of directly elected Legco members. He believed, however, that what the majority of Hong Kong people are concerned with is not the number of Legco seats, but the stability of their livelihood.

Tsang Yuk-shing [2582 6877 2052], convener of the **Democratic Alliance for the Betterment of Hong Kong**, said: Before the Basic Law was promulgated in 1990, almost everyone had the common hope that no amendment would be made to the content of the Basic Law before 1997. The 20 directly elected Legco members for the 1995 election was decided between China and Britain on the basis of mutual understanding and knowing the importance of the fact that this must match the Basic Law. Therefore, the British side should quite understand how important it is that the Basic Law should correspond to the smooth changeover in 1997. Tsang Yuk-shing said he did not quite understand the stance of British Foreign Office Minister Goodlad that the Basic Law can be amended, because judging from the results of the direct elections in 1991, there is no evidence that Hong Kong residents demand an increase in the number of directly elected Legco seats.

Tsang Yuk-shing said: There is no sign that since the 1991 direct elections, Hong Kong citizens have put forth the demand that the number of directly elected Legco seats should be increased. On the contrary, many people have shown their dissatisfaction with the directly elected Legco members, but are comparatively satisfied with appointed Legco members. That the British side has suddenly become so enthusiastic about increasing the number of directly elected Legco seats is, in fact, very perplexing.

Tsang Yuk-shing maintained that if the Basic Law must really be amended, then the task of amendment must be

carried out more carefully than that of drafting, and that the former advisory and drafting institutions must be set up all over again. In the meantime, some people demand that the number of directly elected Legco members be increased to 30. Should other proposals, such as the "38-Person Proposal," the "4-4-2 Proposal," and the "District Board and Executive and Legislative Councils" proposal be reconsidered all over again? If so, it means that the Basic Law must be redrafted and return to its former stage.

Chou Chan-kee [6760 3503 1015] of legal circles said: Although the NPC has the right to amend the Basic Law, it must do so in line with the provisions of the relevant articles of the Basic Law, that is, before an amendment is included in the NPC agenda for discussion, the Basic Law Committee of the Hong Kong SAR must first study it and put forward suggestions. Since the Basic Law Committee of the Hong Kong SAR will not exist until 1997, it is impossible procedurally to amend the Basic Law.

Conservative Legislators Said Advising Mainland
HK3105042192 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 31 May 92 p 3

[By political correspondent Danny Gittings]

[Text] Leading conservatives have been counselling China on Hong Kong's political situation, amid overwhelming opposition to fresh talks on the pace of democratisation from Beijing's new advisers, a SUNDAY MORNING POST poll has revealed.

The survey—the first since their appointment two months ago—also found most advisers saw law and order as Hong Kong's top concern and believed the administration must keep a tighter lid on soaring airport costs.

Leading lights in two local conservative political groups, as well as one of the founders of Hong Kong's new pro-China party, said they had given advice on the next Legco elections—while property tycoon Mr Gordon Wu Ying-sheung revealed he had been counselling Beijing on rising property prices and Hong Kong Bank's attempted takeover of Midland.

Among those offering advice on the political situation were the chairman and deputy chairman of the business-oriented Liberal Democratic Federation, whose candidates were defeated in last autumn's poll—Mr Hu Fakuang and Dr Raymond Wu Wai-yung.

Heung Yee Kuk leader Mr Lau Wong-fat also admitted to offering advice on the 1995 polls, along with the conservative New Hong Kong Alliance's Mr Kan Fook-ye, although leader of the group, Mr Lo Tak-shing, refused to say what he had been advising Beijing on.

Failed Legco [Legislative Council] candidate—and a driving force behind the pro-China Democratic Alliance

for the Betterment of Hong Kong—Mr Cheng Kai-nam said he had counselled on whether to change the minimum voting age.

Fourteen of the 18 advisers surveyed opposed any attempt by Britain to reopen negotiations over the pace of democratisation, with only rural leader Mr Chan Yat-sun and head of the One Country Two Systems Research Institute Dr Ann Tse-kai supporting such a move.

Sixteen advisers also said the Hong Kong Government must keep down costs at Chek Lap Kok.

Returning Illegal Immigrants to Mainland Studied

HK3005060792 Hong Kong SOUTH CHINA
MORNING POST in English 30 May 92 p 2

[By Jonathan Braude]

[Text] The Government is studying the legal and political implications of sending illegal immigrants back to China to serve prison sentences on the mainland.

The move would help reduce the burden on Hong Kong's overcrowded jails, where one third of inmates are now illegal immigrants.

Security branch lawyers have been asked to take a long and hard look at the idea, after positive remarks by Guangdong Governor Mr. Zhu Senlin on a recent visit to Hong Kong, although a decision is not expected in the immediate future.

"We need some kind of workable initiative to take the pressure off the prisons, and they are looking at this positively," a government source said, although he was not optimistic the plan would go forward.

He said he did not believe it would act as an effective deterrent as only a small proportion of illegals ended up in jail.

Questioned after a visit to the border crossing at Man Kam To, Mr Zhu said illegal immigrants found to have committed crimes in Hong Kong should be tried, punished and re-educated after they were returned to China.

But he admitted it was a matter for consultation between the Guangdong and Hong Kong authorities.

Legislative Councillor Mr Moses Cheng Mo-chi, a member of the Omeleco [Office of the Members of the Executive and Legislative Councils] Security Panel, said China should be asked to look at the issue, as it would be a stronger deterrent to illegal immigrants fleeing poverty on the mainland than the prospect of board and lodging in a Hong Kong jail.

But the government source said it was not something Hong Kong would jump into unless the situation in the prisons became really desperate.

He said there were two options: Either to have mainlanders arrested, tried and sentenced in Hong Kong before they were sent back to China to serve their time, or to have them turned over to the Chinese authorities for trial.

The latter solution, though easier to achieve, would involve an agreement to allow China to exercise "extra-territoriality", giving it the right to punish its own citizens for crimes committed in Hong Kong. That might be politically unacceptable and would be a "terrible precedent", he said.

China could then start calling for the right to try other more serious crimes, which Hong Kong would not want to see punished over the border.

It might also provoke heavy international criticism. "We've had enough hassles from the rest of the world over the Vietnamese, without handing people over to Chinese justice," he said.

Under Hong Kong's prisoner exchange agreements with other countries, he added, prisoners have to go voluntarily. Few would volunteer to serve a sentence in China rather than Hong Kong, but sending them back by force would be a blatant infringement of the Bill of Rights and would invite international condemnation.

Anticorruption Group Probing China-Funded Company

HK3005025592 Hong Kong MING PAO in Chinese
29 May 92 p 2

["Special article" by staff reporter Lu Cuo-chun (0712 8743 0971): "ICAC (Independent Commission Against Corruption) Investigates Sinister Corruption Ring in a China-Funded Company"]

[Text] A subsidiary of a China-funded group in Hong Kong, one which has over 200 employees, is being investigated by the Independent Commission Against Corruption [ICAC], for several senior staff are suspected of corruption and cheating the company, and a senior company staff from the mainland has been invited to the ICAC for investigation.

The company has been established in Hong Kong for many years, and most of the managerial posts have been filled by mainland personnel, who either hold one-way exit permits which enable them to acquire Hong Kong resident status after staying here for seven years, or Chinese passports, which require their transfer back to China after working for a period here.

The sinister corruption ring within the company is very influential, and despite the fact that many complaints have been filed to the China-funded group, the persons of the sinister ring have not been touched; on the contrary, those who filed the complaints were forced to resign or transfer. Among those who filed complaints were local residents and senior staff from the mainland.

Most of the local residents were forced to resign voluntarily, and mainland personnel were transferred either to other subsidiaries of the China-funded group, or back to the mainland. In the past few years, quite a number of mainland personnel were transferred out of the company for filing complaints.

The sinister corruption ring is headed by a senior staff and formed by a number of personnel at managerial or section head levels. The head of the sinister ring is a person who has entered Hong Kong with a one-way exit permit, and he and his wife have obtained Hong Kong identity cards, while their son has secured a one-way exit permit.

The son of the head of the sinister corruption group runs a company in Shenzhen, and has close business ties with the China-funded company his father now serves.

The Sinister Ring Is Very Influential, and Complainants Are Often Transferred Out

Some staff of the subsidiary of the China-funded group became skeptical when they saw that the agreed prices their company was paying for goods were higher than the usual level; they also noticed that the members of the sinister ring led an extravagant life while their monthly salaries were a bit more than 10,000 Hong Kong dollars; furthermore, some members of the sinister ring own several apartments in Hong Kong.

More than 40 persons work in the administrative department of the China-funded company, and most of them have worked for over 10 years. Many of them learned about the tricks used by the sinister corruption ring and became impatient; therefore, they collected data and reported to the senior level of the China-funded group, but were told to "mind your own business." Thereafter, whenever someone filed a complaint, he would soon be forced to quit, and the trick was to send him to do some meaningless chores, making him very depressed, and eventually he would quit voluntarily.

Some persons who knew the inside story saw the treatment the complainants received, so they could only control their anger and shut their mouths, because they have worked for more than 10 years, and if they are forced out of the company and must look for jobs elsewhere, their advanced age might give them many difficulties.

The ICAC took action early this month, seizing some documents from the company and inviting two senior staff back to ICAC to assist investigation. Up to now, the ICAC has not filed a case against any of them.

However, the China-funded group has now launched an internal investigation, and ordered the subsidiary to hand over financial data papers.

When asked by this reporter, an ICAC spokesman said according to the current law the ICAC would not comment on any investigation work.

A deputy manager of the China-funded group said he could neither confirm nor deny the incident of the sinister corruption ring, declining to give any comment.

Responding to the inquiry by this reporter, a staffer who had been invited back to the ICAC to assist in the investigation said that ICAC personnel told him not to disclose the investigation case to reporters, and he asked reporters not to disturb him.

Another senior staffer who had assisted ICAC in the investigation said that he must first ask the China-funded group before he can speak, but so far he has failed to contact this reporter; this reporter tried to contact him many times, but to no avail.

A senior mainland staffer of the huge China-funded group said the news about ICAC investigation into the subsidiary has spread in the group. He believed that an absolute majority of the subsidiaries and staff under the group are clean, and that only a small number of them have committed corruption mainly by collaborating with local companies.

The China-funded group said that it will hand over the staffers who have entered Hong Kong with one-way exit permits and acquired Hong Kong identity cards to Hong Kong's public security authorities for handling if it was proved they violated Hong Kong law.

Telecommunications Market Competition by '95 Seen

HK2705022092 Hong Kong SOUTH CHINA MORNING POST in English 27 May 92 p 1

[By Fanny Wong]

[Excerpt] Hong Kong's telecommunications market will be opened up to competition by 1995, with the introduction of a second network when the exclusive franchise enjoyed by Hong Kong Telephone expires.

The Executive Council [Exco] is understood to have agreed in principle to a domestic market open to competition, although the monopoly enjoyed by Hong Kong Telecom International (HKTI), which operates international telephone services, will be retained at least until its franchise expires in 2006.

Exco members think consumers will benefit from the change, receiving better, cheaper services.

Exco yesterday deferred a decision on a new scheme of control for Hong Kong Telephone, with members instructing the administration to continue negotiations to get a better deal.

Dissatisfied with the proposed package, Exco wants to see tariff levels for local and international services reduced further than Hong Kong Telephone has proposed.

The proposed package substitutes a ceiling on prices for the present ceiling on profits. The future tariff levels for

local telephone services would be based on a formula equivalent to the prevailing inflation rate minus a fixed percentage.

The telephone group is understood to have proposed that the percentage should be fixed at around 3 1/2 to four percent, although a review would be conducted three years after the new scheme was implemented.

Hong Kong Telecom has also offered to reduce international direct dial (IDD) charges in 1992-93 by an average of about eight percent and guaranteed that there will be no average increase for the next five years.

Hong Kong Telecom estimates that such concessions on international tariffs would result in a cumulative revenue loss of more than \$5 billion in the five years beginning 1992-93.

But Exco members are pressing officials to secure an even higher percentage reduction than the 3 1/2 percent suggested by the telephone group in the price cap formula.

The Government is also aiming to explore ways it could use its regulatory powers to reduce international tariffs as part of its overall telecommunications review.

The Government wants to see a greater portion of the cost savings enjoyed by international carriers through the deployment of new technologies passed to consumers.

Mr Peter Hamilton, corporate affairs director of Hong Kong Telecom, said: "We haven't had any announcement from the Government. As you will appreciate, Exco debates are confidential.

"But as we have been saying for some time, we have been expecting competition on the local network. It doesn't scare us.

"If it's true, it will create opportunities we are able to take advantage of with our fully digitalised network."
[passage omitted]

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